

Stock code
1110

URL of the annual report 0

URL of the Market Observation Post System: <http://mops.twse.com.tw>

URL of the company: <http://www.southeastcement.com.tw>



Southeast Cement Corporation

2022 Annual Report

Date of printing: April 30, 2023

I. Spokesperson

Name: Huang Hsinhan

Title: Deputy General Manager, Finance Department

Tel: (07)2711121 ext. 227

Acting spokesperson

Name: Tang Jungtsung

Title: Deputy General Manager, Business Department

Tel: (07)2711121 ext. 216

E-mail: southeast@secement.com

II. Company address

Head Office: 4th Floor, No. 21, Wufu 3rd Road, Qianjin District, Kaohsiung

Tel: (07)2711121 (representative number)

Kaohsiung 1st Plant: No. 1, Pingshan Lane, Gaonan Highway, Nanzi District, Kaohsiung

Tel: (07)3421333 (representative number)

Kaohsiung 2nd Plant: No. 3, Pingshan Lane, Gaonan Highway, Nanzi District, Kaohsiung

Tel: (07)3421333 (representative number)

Taipei Office: No. 51-3, Chang'an East Road, Taipei

Tel: (02)25612308, 25612309

III. Stock transfer agency

Name: Yuanta Securities Co.

Address: 1st Floor, No. 210, Section 3, Chengde Road, Taipei

Tel: (02)25865859

URL: <http://www.yuanta.com.tw>

IV. Latest Certified Public Accountant

Firm name: Crowe (TW) CPAs

Accountant names: Cai Shuman, Li Qinglin

Address: 27th Floor, No. 6, Siwei 3rd Road, Kaohsiung

Tel: (07)3312133

URL: <http://www.crowe.com/tw>

V. Name of the trading place where the overseas securities are listed for trading and the method of inquiring about the overseas securities information: None.

VI: Company website

www.southeastcement.com.tw

Table of Contents

One). Report to Shareholders	1
Two). Company Profile	6
I. Date of establishment	6
II. Company History	6
Three). Corporate Governance Report	10
I. Company structure	10
II. Directors, President, Vice general manager, assistant manager, directors of various associates and branches.....	11
III. Common Director and independent director, President and Vice-general manager's remuneration.....	25
IV. Corporate Governance operating situation.....	31
V. Certified Public Accountant public fee information.....	89
VI. Change accountant information.....	89
VII. The company's Chairman, President, Managerial officer in charge of financial or accounting affairs, and those who have worked in the firm of the Certified Public Accountant or its affiliated companies in the last year	89
VIII. In the most recent year and as of the date of publication of the annual report, director, managerial officer, and Shareholding ratio more than 10% of shareholders' equity transfer and pledge changes.....	90
IX. Shareholding ratio of the top 10 shareholders and their relationship with each other.	92
X. The number of shares held by the company, its directors, Managerial officer and enterprises directly or indirectly controlled by the company in the same reinvested enterprise.	95
Four). Fundraising Situation	96
I. Capital and shares	96
II. Handling of corporate bonds, preferred shares and overseas depositary receipts. .	102
III. Handling of employee stock option certificates	102
IV. Handling of new shares with restricted employee rights	102
V. Handling of new shares issued for M&A or transfer of shares of other Companies	102
VI. Implementation of Fund Utilization Plan.....	103

Five). Operation Overview	104
I. Business Contents	104
II. Overview of the market and production and sales	108
III. Overview of employees in the past two years	114
IV. Environmental protection expenditure information	115
V. Labor Management Relations	117
VI. Information Security Management.....	118
VII. Important Contracts.....	120
Six). Financial Overview	121
I. Last 5 years' Condensed Balance Sheet and Consolidated Income Statement	121
II. Financial Analysis of Last 5 Years	125
III. Audit Committee Report on the Review of Recent Annual Financial Statements.....	131
IV. Consolidated financial report for the most recent year, including audit report by accountant, balance sheet for two-year comparison, comprehensive profit and loss statement, statement of equity changes, Cash flow statement and annex or appendix.....	132
V. The company's individual financial report certified by accountant for the most recent year.....	232
VI. The impact on the Company's financial status of any financial turnover difficulties of the Company and its affiliates	323
Seven). Review and Analysis of Financial Status and Financial Performance and Risk Management	323
I. Comparative Analysis of Financial Status	323
II. Financial performance comparative analysis.....	325
III. Cash Flow Analysis	326
IV. Impact of major capital expenditures in the most recent year on the financial status ...	327
V. Reinvestment policy in the most recent year, the main reason for its profit or loss, improvement plan and investment plan for the next year	327
VI. Risk Management	327
VII. Other important matters	330
Eight). Special Records	331
I. Relevant information of affiliated associates	331

II. Handling of private placement securities.	335
III. Status of holding or disposing of the company's shares by subsidiaries in the most recent year and as of the date of publication of the annual report	335
IV. Other necessary supplementary explanations	335
V. In the most recent year and as of the publication date of the annual report, if any event that has a significant impact on shareholders' equity or securities prices occurs as stipulated in Subparagraph 2, Item 2, Article 36 of the Securities and Exchange Act	335

One. Report to Shareholders

Dear shareholders,

According to statistics from the Taiwan Cement Industry Association, domestic sales of domestic cement and clinker in 2022 will be 10.07 million metric tons, a decrease of 230,000 metric tons or 2.2% from 10.3 million metric tons in 2021.

Imports of cement and clinker were 3.41 million metric tons, an increase of 1.08 million metric tons, or 46%, from 2.33 million metric tons in 2021. In 2022, Taiwan's cement demand will total 13.48 million metric tons, an increase of 850,000 metric tons or 6.7% compared to 12.63 million metric tons in 2021.

In 2022, due to the continuous implementation of Forward-looking construction plans and public construction, the issuance of real estate construction licenses will grow. According to data from the Ministry of the Interior's Construction and Construction Administration, the total floor area of the construction permits issued by Taiwan in 2022 will increase by 5.5% compared with the same period in 2021. In addition, the demand for cement will increase due to factors such as the increase in construction projects for Taiwanese businessmen returning to technology factories.

In addition, the Kaohsiung plant of Southeast Gaoliang Recycled Resources Co., Ltd. has obtained ISO9001, ISO14001 and ISO45001 certification in October 2022, and the cumulative sales of ready-mixed concrete for the year was 87,701.5 cubic meters.

The consolidated operating results of the Company and its subsidiaries for 2022 are reported below:

I. Business results of last year

- (I) Production: ① The cement production volume in 2022 is 458,971 metric tons, which is 66,643 metric tons less than the 2021 annual cement production volume of 525,614 metric tons, a

decrease of 12.68%.

- ② The production volume of furnace slag powder in 2022 is 136,188 tons, which is a decrease of 31,372 tons or 18.72% compared with the production volume of 167,560 tons in 2021.

(II) Sales: ① The sales volume of cement in 2022 is 496,761 metric tons, which is 55,407 metric tons less than the 552,168 metric tons in 2021, a decrease of 10.03%.

- ② The sales volume of furnace slag powder in 2022 will be 144,308 metric tons, a decrease of 18,030 metric tons or 11.11% compared with the sales volume of 162,338 metric tons in 2021.

- ③ The cement sales revenue in 2022 is NT\$1.418 billion, an increase of NT\$106 million or 8.08% compared with the 2021 cement sales revenue of NT\$1.312 billion.

- ④ In 2022, the sales revenue of hearth stone powder is NT\$181 million, which is a decrease of NT\$20 million or 9.95% compared with the sales revenue of NT\$201 million in 2021.

- ⑤ Other operating income in 2022 is NT\$102 million, an increase of NT\$34 million or 50% compared with 2021 other operating income of NT\$68 million.

- ⑥ The total operating income in 2022 is NT\$1.701 billion, an increase of NT\$120 million or 7.59% compared with the total operating income of NT\$1.581 billion in 2021.

(III) Profit and loss: The net profit after tax in 2022 is NT\$149 million (earnings per share: NT\$0.26), an increase of NT\$9 million compared to the net profit after tax in 2021 of NT\$140 million (earnings per share: NT\$0.25).

(IV) Financial situation: The debt ratio increased from 20.51% in 2021 to 27.22% in 2022, and the current ratio decreased from 121.98% in 2021 to 104.41% in 2022.

(V) The consolidated operating results of the company and its subsidiaries in 2022:

The operating income of the consolidated subsidiaries of the company in 2022 is NT\$1.794 billion, a decrease of NT\$53 million or 2.87% from the NT\$1.847 billion in 2021. The current after-tax net profit belonging to the owner of the company was NT\$149 million, and the basic earnings per share (after tax) belonging to the company was NT\$0.26.

II. R&D Status

The Portland blast-furnace cement developed by our company can be packaged in bags, space bags and bulk. Packed in bags and used for floor tiles and stone paste, it can effectively prevent the occurrence of efflorescence and black speck. Due to their low heat of hydration, high compressive strength and durability in the later stage, space packs and bulk can be used in geological improvement projects, dam projects, marine projects, tunnels, sewers, bridges, river wall projects, etc. It is expected that the growth of sales of Portland blast-furnace cement will contribute to the company's revenue.

III. Summary of This Year's Business Plan

Looking forward to 2023, the Executive Yuan compiled an overall public construction budget of NT\$597.2 billion, of which public construction design funds were NT\$172.5 billion, an increase of NT\$34.5 billion over 2022, an increase of 25%. This includes NT\$162.7 billion for transportation, NT\$78.9 billion for environmental resources, NT\$267.8 billion for economic development, NT\$42.6 billion for agricultural development, and NT\$11.4 billion for health and welfare facilities.... etc.

Major construction projects such as the development project of the Second phase of the Kaohsiung New Town Development Zone (cooperating with the Science Park), East and west wharf projects, Wharf and dock projects of the Zuoying Military Port Weihai Project, Cross-harbor tunnel project, Factory construction in Renwu Park, TSMC factory construction project in Nanzi Park, MRT Gangshan-Luzhu Extension Line, MRT Yellow Line Machine Factory Project, Kaohsiung City Social Housing Project with the construction of the Kaohsiung City Sports Center and the promotion of private construction projects, etc., the demand for cement is expected to increase steadily.

Subsidiary Dongni Construction Co., Ltd. currently has two self-built cases. The first one is located in Yannan Section, Yanchao District, Kaohsiung City, and plans to build 27 Look-sky Housing, which are scheduled to be completed and sold in mid-2023. The second is located in Wufu Section, Chaozhou Township, Pingtung County, and plans to build 20 Look-sky Housing. At present, the construction license has been obtained and the construction is scheduled to start in the second quarter of 2023. There are four other joint projects. The first one is located in the Dong'an section of Dongshan District, Tainan City, where 41 Look-sky Housing are planned to be built. Currently, interior and exterior decoration works are underway. It is scheduled to be sold after completion in the third quarter of 2023. The second one is located in the Dalian section of Pingtung City and plans to build 140 households with a 5th-floor elevator building. The structure is currently under construction, and it is scheduled to be sold after completion in the first quarter of 2024. The third is located in Fuchun Section, Chaozhou Township, Pingtung County, planning to build 144 households with a 5th-floor elevator building, which is currently applying for a building license. The fourth, the west section of Xinhougang, Renwu District, Kaohsiung City has changed the design for 15 floors 128 residential, with 16 households partial-holding look-sky housing, and the construction is scheduled to start in 2024.

Another subsidiary, Dongnan Gaoliang Resources Recycling Co., Ltd., Dafa Plant, obtained a construction license in March 2023 and has begun construction of the plant. The construction period is about one year. After the completion of the trial operation and the application for the operation permit after the construction of the plant, it takes about half a year. It is expected to obtain the operation permit in the fourth quarter of 2024 at the earliest.

The increase in inflation and prices caused by the Russia-Ukraine war, the increase in electricity and raw material costs, and the more stringent environmental regulations will be major challenges for the Company. In order to effectively reduce operating costs and strengthen competitiveness, the Company's operating strategy remains stable, seeking low-cost raw materials, deepening customer service, improving quality standards, increasing sales of new products, and revitalizing assets for the Company's maximum benefit.

Dear shareholders, ladies and gentlemen, the company's 2022 operating conditions and future business plans are as above. The company is in the process of transformation, shareholders are requested to give support and guidance, thank you!

Chairman Chen Minduan



April 30, 2023

Two. Company Profile

I. Date of establishment: December 28, 1956

Listing date: October 22, 1994

II. Company History

December 1956	The company was established with a registered capital of NT\$4 million.
January 1958	Increased the capital to NT\$6 million.
May 1958	Increased the capital to NT\$8 million.
October 1958	Increased the capital to NT\$10 million.
December 1958	Kiln No. 1 was completed (60 metric tons per day) and production started.
1959	Increased the capital to NT\$15 million.
1960	Kiln No. 2 was completed (280 metric tons per day) and production started.
1961	Increased the capital to NT\$20 million.
1965	Increased the capital to NT\$22 million.
1966	Increased the capital to NT\$44 million.
1966	Kiln No. 3 was completed (950 metric tons per day) and production started.
March 1967	Increased the capital to NT\$60 million.
August 1967	Increased the capital to NT\$75 million.
1968	Increased the capital to NT\$93 million.
1969	Increased the capital to NT\$110 million.
1970	Increased the capital to NT\$125 million.
1971	Increased the capital to NT\$133 million.
1973	Increased the capital to NT\$171.57 million.
1974	Increased the capital to NT\$200 million.
1974	Kiln No. 1 was dismantled due to low output and high cost.
December 1974	Handled asset revaluation.
1975	Increased the capital to NT\$320 million.
1976	Increased the capital to NT\$360 million.
1976	Kiln No. 4 was completed (with a daily output of 2,250 metric tons) and participated in production.
1977	Increased the capital to NT\$410 million.
1979	Increased the capital to NT\$500 million.

1979	The annual cement production and sales exceeded one million metric tons.
May 1979	Deputized the management of Chentai Cement.
1980	Increased the capital to NT\$640 million.
1980	Handled the second asset revaluation.
1981	Increased the capital to NT\$800 million.
October 1981	The Southeast Building was completed, and the head office was moved to the building.
January 1982	The conversion of the coal-fired system of Kiln No. 3 was completed and operation started.
April 1982	Lease of equipment from the Kaohsiung Plant of Chentai Cement Company.
June 1983	The conversion of the coal-fired system of the Kiln No. 4 was completed and operation started.
October 1985	The automated quality inspection system of the quality control laboratory started operation.
November 1985	Increased the capital to NT\$880 million.
August 1986	Increased the capital to NT\$1.056 billion.
October 1986	The government granted the company the award of excellent manufacturer in pollution prevention and control.
August 1987	The capital increased to NT\$1,098,240,000.
September 1988	Increased the capital to NT\$1,141,070,000.
December 1988	The company's Kaohsiung plant was granted the "Demonstration Plant" award by the Kaohsiung Environmental Protection Agency for its strict sampling and testing for three consecutive years and meeting the standards set by the Air Pollution Control Act.
January 1989	The company established the "Southeast Cement Relations Employee Self-improvement Association" to coordinate the handling of employee welfare matters.
August 1989	The capital increased to NT\$1,232,350,000.
July 1990	The improvement of the automation process of Kiln No. 4 officially started.
August 1990	Increased the capital to NT\$1,734,480,000.
December 1990	The computerized improvement system for production automation and process monitoring of Kiln No. 4 was completed and operations began

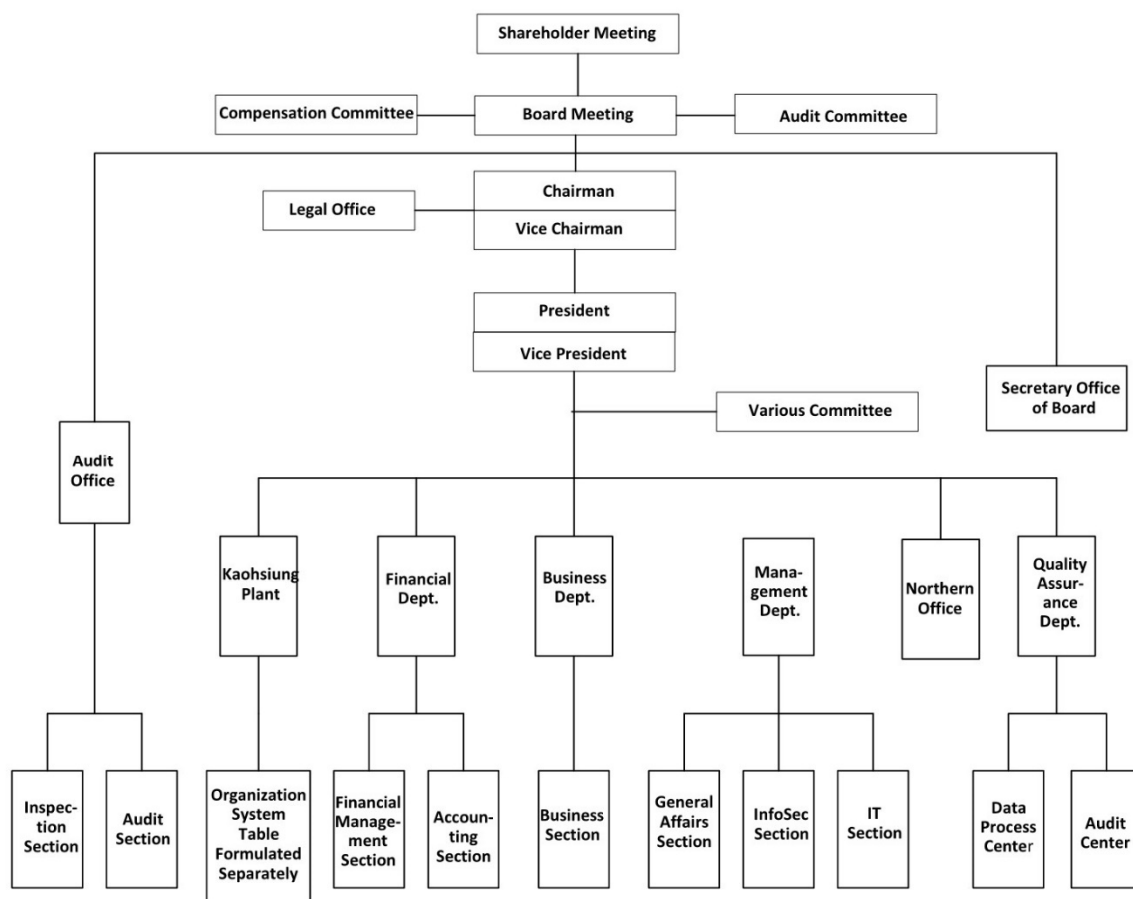
June 1991	The company imported clinker from Japan's Osaka Cement Company for the first time.
September 1991	Increased the capital to NT\$2 billion.
May 1992	The company established the "Internal Control and Internal Audit Committee" and formulated the "Internal Control System" to comply with the requirements of the Securities and Exchange Commission of the Ministry of Finance, and completed declaration and filing before October 31, (1992) to enable the company to have a complete basis for listing to follow.
July 1992	Increased the capital to NT\$2.4 billion.
April 1993	Directors and supervisors are reelected to achieve the goal of detached and independent operation of the directors and supervisors.
July 1993	Increased the capital to NT\$2.76 billion.
September 1993	Passed the ISO-9002 international quality assurance system verification and was awarded a certificate. The company is the first manufacturer in the domestic industry to obtain this certification.
December 1993	Increased the capital to NT\$3.08 billion.
August 1994	Increased the capital to NT\$3,126,200,000.
October 1994	The company's stock was officially listed.
September 1996	Increased the capital to NT\$3,438,820,000.
September 1997	Increased the capital to NT\$4,954,643,000.
December 1997	Handled land reevaluation.
May 1998	Started trial burning of waste tires.
July 1998	Increased the capital to NT\$5,450,107,300.
October 1998	Applied with the Securities and Futures Commission for the change of the 1997 cash capital increase plan and received the approval; the original investment in Heping Cement was suspended and changed it to the repayment of corporate bonds and bank loans.
December 1998	Passed ISO-14001 official evaluation and registered with the Commodity Inspection Bureau.
December 1998	Repaid the company's corporate bond of NT\$1 billion.
January 1999	The founder Chiang-Chang Chen passed away, and the chairman position was taken over by Vice Chairman Chen. Minhsien
August 2000	The capital was increased to NT\$5,586,359,980.
December 2000	Invested NT\$500 million in Kaohsiung MRT, and the company chairman served as the vice chairman of Kaohsiung MRT.

November 2001	Invested NT\$213 million in Kaohsiung MRT, with a total investment of NT\$713 million and a shareholding ratio of 7%.
December 2001	The Great World Department Store which the company invested in officially opened.
July 2003	Production and sales of the new product furnace stone powder.
December 2003	Invested in Mauritius to set up Southeast International Co., Ltd. which is 100% held by the company, with an initial investment of US\$2.82 million. Through this company, the company indirectly invested in the equity of Jiabin Jingyang Cement Co., Ltd. in mainland China.
August 2004	The capital was increased to NT\$5,865,677,970.
September 2005	The chairman of the company resigned from the vice chairman position of Kaohsiung MRT.
November 2005	Implemented the first treasury share buyback.
February 2006	Implemented the second treasury share buyback.
April 2006	Cancelled the first batch of treasury shares bought back, and the capital was reduced to NT\$5,833,147,970.
July 2006	Cancelled the second batch of treasury shares bought back, and the capital was reduced to NT\$5,760,007,970.
September 2008	Implemented the third treasury share buyback.
January 2009	Cancelled the third batch of treasury shares bought back, and the capital was reduced to NT\$5,720,007,970.
September 2009	Chairman Mr. Min-Hsien Chen passed away.
October 2009	The board meeting elected Vice Chairman Min-Tuan Chen as the chairman.
December 2004	The reinvested Great World Department Store ended its business.
November 2018	Southeast International Co., Ltd., the company's subsidiary, was liquidated and returned stock capital to investors.

Three. Corporate Governance Report

I. Company structure

(I) Organization chart: (revised on March 29, 2023)



(II) Business functions:

Management Department	Planning, implementation and supervision of personnel, general affairs, procurement, information, and asset management.
Business Department	Handling of product sales, promotion, after-sales service, etc.
Finance Department	Budget control, account processing, fund raising and scheduling, investment management, etc.
QA Department	Inspection of quality assurance operations, formulation and implementation of quality policies
Kaohsiung plants	Production, packaging and delivery of cement and furnace slag powder
Audit Office	Review and evaluate the rationality and appropriateness of various business controls

II. Directors, President, Vice general manager, assistant manager, directors of various associates and branches

(I) Director:

April 30, 2023

Job title	Nationality	Legal person shareholder name	Gender	Election (take office) date	Term of office	Initial election date	Shares held while election		Current shares held		Current shares held by spouse and minor children		Holding shares in others' name		Major experience (academic)	Hold a concurrent post in the Company and other companies	Other officers, directors, or supervisors who are spouses or within biparental consanguinity			Remarks
		Representative Name	Age				No. of share	Shareheld ratio	No. of share	Shareheld ratio	No. of share	Shareheld ratio	No. of share	Shareheld ratio			Job title	Name	Relation	
Chairman	Taiwan	East Tree Investment Co., Ltd.	Male	2020.06.20	3 year	2011.06.29	80,496,816	14.07	80,496,816	14.07	13,003	0.00	0	0.00	Southeast Cement Corp., Vice chairman	Dongni Construction Co., Chairman	Director	Chen Guanhua	Father & Son	None
		Chen Minduan	71-75 years old						2,985,000	0.52										
Director	Taiwan	Chen Zhaoshu Charity Foundation	Male	2020.06.20	3 year	2011.06.29	24,885,291	4.35	24,885,291	4.35	0	0.00	0	0.00	University of Southern California MBA graduate	Dongni Construction Co., President	Chairman	Chen Minduan	Father & Son	None
		Chen Guanhua	41-45 years old						6,484,910	1.13										
Director	Taiwan	East Tree Investment Co., Ltd.	Male	2020.06.20	3 year	2011.06.29	80,496,816	14.07	80,496,816	14.07	316,246	0.06	0	0.00	Bachelor of Soochow University	Southeast Paper Manufacturing Co., Chairman	None	None	None	None
		Chen Tianzhu	85-90 years old						1,085,883	0.19										
Director	Taiwan	Chen Zhaoshu Charity Foundation	Male	2020.06.20	3 year	2011.06.29	24,885,291	4.35	24,885,291	4.35	0	0.00	0	0.00	National Chengchi University Graduate of Statistics Dept.	Southeast Gaoliang Resource Recycle Co., Chairman	None	None	None	None
		Wu Changzhi	65-70 years old						41,869	0.01										
Director	Taiwan	Likai Investment Co.,	Male	2020.06.20	3 year	2011.06.29	19,605,559	3.43	19,434,559	3.40	0	0.00	0	0.00	Southeast Cement Corp., Supervisor	Mayer International Enterprise Co., President	None	None	None	None
		Zheng Lixiang	45-50 years old						1,800,000	0.31										
Director	Taiwan	Evergreen co., Ltd.	Male	2020.06.20	3 year	2014.06.29	33,525,346	5.86	40,070,010	7.01	0	0.00	0	0.00	Taiwan Machinery Shipyard Co., President	Evergreen co., Chairman	None	None	None	None
		Yang Zhaoxiong	65-70 years old						0	0.00										
Director	Taiwan	Southeast Cultural Foundation	Male	2020.06.20	3 year	2014.06.29	33,421,803	5.84	33,421,803	5.84	0	0.00	0	0.00	MIT Master's Degree	Fukang Cultural and Educational Foundation, Chairman	None	None	None	None
		Chen Jianhao	41-45 years old						58,609	0.01										
Independent director	Taiwan	Yang Wenzai	Male	2020.06.20	3 year	2017.06.23	0	0.00	0	0.00	0	0.00	0	0.00	Master of Finance, Chaoyang University of Science and Technology	Keningwei Co., Independent director	None	None	None	None
			75-80 years old						0	0.00										
Independent director	Taiwan	Ye Jinbao	Male	2020.06.20	3 year	2017.06.23	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor of Education, National Taiwan Normal University	None	None	None	None	None
			75-80 years old						0	0.00										
Independent director	Taiwan	Zhuang Yuxin	Female	2020.06.20	3 year	2017.06.23	0	0.00	0	0.00	0	0.00	0	0.00	Thunderbird School of Global Management Master of International Management	None	None	None	None	None
			45-50 years old						0	0.00										

Major shareholders of Legal Person shareholders
(Shareholding Ratio of Top 10 Shareholders)

Apr. 30, 2023

Legal Person Shareholder Name	Major shareholders of Legal person
East Tree Investment Co., Ltd.	Chen Minduan (64.45%), Huang Meiyu (13.80%), Baifu Investment Co., Ltd.(8.93%), Chen Guanhua (8.09%), Chen Yijing (2.56%), Chen Yiwen (2.16%)
Likai Investment Co., Ltd.	Zheng Chen Dunling (64.34%), Ma Ruichen (3.25%), Zheng Lixiang (6.73%), Zheng Yuyi (9.98%), MODERN HOLDINGS LTD (6.07%), Zheng Jingfeng (9.62%)
Evergreen Co., ltd.	Chen Siying (34.49%), Shao Chunmin (8.45%), Nico Capital Co., Ltd. (38.75%)
Southeast Cultural Foundation	None
Chen Zhaoshu Charity Foundation	None

Note: The above information is provided by the Legal person shareholders, and the company only discloses the information provided by them.

Major Shareholder is Legal Person, Its Major Shareholder
(Shareholding Ratio of Top 10 Shareholders)

Apr. 30, 2023

Legal Person Name	Major shareholders of Legal person
Baifu Investment Co., Ltd.	Chen Minduan (48.48%), Chen Guanhua (30.75%), Huang Meiyu (12.90%), East Tree Investment Co., Ltd.(2.68%), Yipin Resources Co., Ltd. (0.19%), Chen Yiwen (1.42%), Chen Yijing (1.44%), Chen Pinchen (1.18%), Ye Yipei (0.77%), Chen Pinxue (0.19%)
Nico Capital Co., Ltd.	Chen Siying (81.29%)

Note: The above information is provided by the Legal person shareholders, and the company only discloses the information provided by them.

Director Information

I. Director professional qualifications and Information of Independent director disclosure:

Condition Name	Professional Qualifications & Experience	Independence situation	No. of independent directors concurrent serving as other public companies
East Tree Investment Co., Ltd. Representative: Chen Minduan	Graduated from the Department of Business Administration of Tamkang University. Chairman Chen Minduan joined the Board of directors in 1979 After going public in 1994, he was appointed as Director and concurrently served as Vice general manager of the company. In 1999, he was changed to executive director. In 2002, he was appointed as Vice chairman. In 2009, he was promoted to chairman. He is very familiar with cement production, sales and financial conditions. Served as Director of China United Resources Co., Chairman of Jiahuan Dongli Co., Chairman of Great World Department Store Co., Now as adjunct Chairman of Dongni Construction Co., Chairman of Chint Cement Plant Co., Chairman of Taiwan-Mix Resource Development Co., and Southeast Investment Co. Situation not covered by Article 30 of the Company Law. Mr. Chen Minduan has practical experience, strategic management, leadership, focusing on the cement industry operation management over 40 years, with Financial accounting, business, Marketing & Sales etc. operation and management practical ability.	1. Concurrent serves as (99.75%Subsidiary) President. 2. Concurrent serves as (100%Subsidiary) Chairman. 3. To hold shares of 2,985,000 in the company, as 0.52 % shareholder. 4. His son to hold shares 6,484,910 in the company, as 1.13% shareholder. 5. Legal person shareholders held more than 5% of company's issued shares-East Tree Investment Co., as Chairman, Taiwan Machinery Shipyard Co., as Chairman, Baifu Investment Co., as Chairman. 6. Companies with financial or business dealings with our company - Dongni Construction Co., as Chairman, Chint Cement Plant Co., as Chairman, Taiwan-Mix Resource Development Co., as Chairman. 7. His son serves as Vice chairman and President of the company, but has resigned from President position on April 1, 2023. 8. Chen Minduan as designated representative of East Tree Investment Co., for elected director. 9. The others have been approved by the Financial Supervisory Commission in accordance with the "Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed", the listed independence elements are verified and still meet the relevant independence requirements.	0

Chen Zhaoshu Charity Foundation, Representative: Chen Guanhua	Master of Business Administration from the University of Southern California. Vice Chairman Chen Guanhua joined the Board of directors in July 2017 And served as the vice chairman. Vice chairman Chen served as the company's Vice general manager from December 2010 to July 2017, and concurrently served as President on March 25, 2022, but resigned from the position of President on April 1, 2023. Former Manager of the Royal Bank of Scotland Hong Kong Branch, Now adjunct Southeast Miller Int'l Co., as Chairman, Dongni Construction Co., as President, Supervisor of Tiancheng Concrete Industrial Co., Chint Cement Works Co., Ltd. Director, Southeast Investment Co., Director. Situation not covered by Article 30 of the Company Law. Mr. Chen Guanhua has practical experience, strategic management, leadership, focusing on the cement industry operation management over 10 years, with Financial accounting, business, Marketing & Sales etc. operation and management practical ability.	1 、 Concurrent serves as (100%Subsidiary) President. 2 、 Concurrent serves as (100%Subsidiary) Chairman. 3 、 To hold shares 6,484,910 in the company, as 1.13 % shareholder. 4 、 His father to hold shares 2,985,000 in the company, as 0.52% shareholder. 5 、 Legal person shareholders held more than 5% of company's issued shares-East Tree Investment Co., Ltd. Director, Taiwan Machinery Shipyard Co., Ltd. Director, Baifu Investment Co., Ltd. Director. 6 、 Companies with financial or business dealings with our company - Southeast Miller Int'l Co., as Chairman, Dongni Construction Co., as President, Chint Cement Works Co., Ltd. Director, Supervisor of Tiancheng Concrete Industrial Co. 7 、 His father served as the Company Chairman. 8 、 Chen Guanhua as designated representative of Chen Zhaoshu Charity Foundation for elected director. 9 、 The others have been approved by the Financial Supervisory Commission in accordance with the "Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed", the listed independence elements are verified and still meet the relevant independence requirements.	0

East Tree Investment Co., Ltd. Representative: Chen Tianzhu	Graduated from the Economics Department of Soochow University. Director Chen Tianzhu joined Board of directors in 1993. After going public share in 1994, he served as a director, and was promoted to vice chairman in 2009. He once served as the company's associate director, Penghu Cable TV Co., Chairman, and now concurrently serves as the Southeast Paper Co., Chairman and the National Day Gas Station Chairman. Situation not covered by Article 30 of the Company Law. Mr. Chen Tianzhu has practical experience, strategic management, leadership, focusing on the cement industry operation management over 20 years. In addition to serving as an assistant in Southeast Company, he also served as the chairman of Penghu Cable TV Company. With business, Marketing & Sales etc. operation and management practical ability. Situation not covered by Article 30 of the Company Law.	1 、 Concurrent serves as (49.71%Subsidiary) Chairman. 2 、 To hold shares 1,085,883 in the company, as 0.19 % shareholder. 3 、 East Tree Investment Co., as Legal person shareholders held more than 5% of company's issued shares. 4 、 Chen Tianzhu as designated representative of East Tree Investment Co., for elected director. 5 、 The others have been approved by the Financial Supervisory Commission in accordance with the “Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed”, the listed independence elements are verified and still meet the relevant independence requirements.	0
	Mr. Chen Minduan has practical experience, strategic management, leadership, focusing on the cement industry operation management over 40 years, therefore,with Financial accounting, business, Marketing & Sales etc. operation and management practical ability.		

Chen Zhaoshu Charity Foundation, Representative: Wu Changzhi	Graduated from the Statistics Department of National Chengchi University. Director Wu Changzhi joined the Board of directors in July 2017. Director Wu served as the deputy manager of the business dept. of the Company, Manager of Management Dept., Vice general manager, President of the Company. Currently, he is also the Chairman of Southeast Gaoliang Resources Recycling Corp., and the Chairman of China Union Resources Co., as Director, Southeast Investment Co., Director, Tiancheng Concrete Co., as Director. Situation not covered by Article 30 of the Company Law. Mr. Wu Changzhi has practical experience, strategic management, leadership, focusing on the cement industry operation management over 40 years, In addition to serving as President in Southeast Company, he also served as Director of China United Resources Co., and is quite familiar with the cement and furnace slag market. With business, Marketing & Sales etc. operation and management practical ability.	1. Concurrent serves as (51%Subsidiary) Chairman. 2. Concurrent serves as (99.29%Subsidiary) Director. 3. To hold shares 41,869 in the company, as 0.01% shareholder. 4. Companies with financial or business dealings with our company - Southeast Gaoliang Regenerate Resources Chairman, China Union Resources Co., Director, Tiancheng Concrete Industry Co., Director. 5. Wu Changzhi as designated representative of Chen Zhaoshu Charity Foundation for elected director. 6. The others have been approved by the Financial Supervisory Commission in accordance with the "Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed", the listed independence elements are verified and still meet the relevant independence requirements.	0

Likai Investment Co., Ltd. Representative: Zheng Lixiang	MBA graduate from Boston University, Director Zheng Lixiang joined Board of directors in June 2011. Director Zheng used to be the executive director and supervisor of the company, the market development associate of Yingshang Global Brand Management Company, and the marketing and duty-free market manager of Taiwan Eddington Huansheng Wine Co., Ltd. His current position is President of Meiya International Enterprise Co. Situation not covered by Article 30 of the Company Law. Mr. Zheng Lixiang is familiar with the development of the cement industry chain, and specialized in investment management, with Corporate governance , Accounting data and Accounting financial analysis, Marketing & Sales etc. operation and management practical ability.	1. To hold shares 1,800,000 in the company, as 0.31% shareholder. 2. Zheng Lixiang as designated representative of Likai Investment Co., for elected director. 3. The others have been approved by the Financial Supervisory Commission in accordance with the “Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed”, the listed independence elements are verified and still meet the relevant independence requirements.	0
Southeast Cultural Foundation Representative: Chen Jianhao	MIT Master of Commerce, Massachusetts Public University Amherst Bachelor of Accounting. Director Chen Jianhao joined Board of directors. Former President of Fukang Investment Consulting in November 2014, Deputy Director of Bank of America Strategic Analysis Department, Analyst of Bank of America Strategic Analysis Department. Situation not covered by Article 30 of the Company Law. Mr. Chen Jianhao is familiar with the development of the cement industry chain, and specialized in investment management, with Corporate governance, Accounting data and Financial analysis ability, Marketing & Sales etc. operation and management practical ability.	1. To hold shares of 58,609, as 0.01% shareholder. 2. Legal person shareholders held more than 5% of company's issued shares-Chairman of Fukang Cultural and Educational Foundation, Director of Evergreen Co. 3. Companies with financial or business dealings with our company – Director of Chint Cement Works Co. 4. Chen Jianhao as designated representative of Southeast Cultural Foundation for elected director. 5. The others have been approved by the Financial Supervisory Commission in accordance with the “Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed”, the listed independence elements are verified and still meet the relevant independence requirements.	0

Evergreen Co., Ltd. Representative: Yang Zhaoxiong	Graduated from Department of Mechanical Engineering, Kaohsiung University of Applied Sciences. Director Yang Zhaoxiong joined the Board of directors in November 2015. He used to be the President of Taiwan Machinery Shipyard Co., Situation not covered by Article 30 of the Company Law. Mr. Yang Zhaoxiong is familiar with the development of the cement industry chain, has corporate governance, business, Marketing & Sales etc. operation and management practical ability.	1. Legal person shareholders held more than 5% of company's issued shares-Chairman of Evergreen Co. 2. Yang Zhaoxiong as designated Representative of Evergreen Co. for elected director, 3. The others have been approved by the Financial Supervisory Commission in accordance with the "Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed", the listed independence elements are verified and still meet the relevant independence requirements.	0
Independent director: Yang Wenzai	Master of Finance, Chaoyang University of Science and Technology Director Yang Wenzai joined the Board of directors in July 2017. He used to be the supervisor of the Company, the director of the National Taxation Bureau of Kaohsiung City, and now concurrently serves as Keningwei Co., independent director, and Chairman of Penghu Cable TV Co. Mr. Yang Wenzai has Corporate governance, Financial accounting, Business analysis and Management ability, it will improve the quality of corporate governance of the Board of directors and the supervision function of the audit committee. Currently serving as an independent director belongs to the 2nd term and has not exceeded 3 terms, and has not violated the provisions of Article 30 of the Company Law.	According to the company's Articles of Association and "Code of Practice on Corporate Governance", directors are elected through the nomination system, when nominating and selecting members of the Board of directors, the company has obtained a written statement from each director, work experience, current employment certificate, and the Relative relationship table provided, to verify and have confirmed myself, my spouse, and relatives within the tri-parent relatives as opposed to the company's Independence. ; In addition, it has been verified that the independent directors have complied with the requirements issued by the Financial Supervisory Commission during the two years before the election and during their tenure "Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed" and the qualification requirements stipulated in Article 14-2 of the Securities Exchange Act, and all independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Act, and independently perform relevant functions and powers.	1

Independent director: Ye Jinbao	Department of Education, National Taiwan Normal University. Director Ye Jinbao joined the Board of directors in July 2017. He used to be a prosecutor of the Supreme Court Prosecutor's Office. Mr. Ye Jinbao has professional competence in law, it will improve the quality of corporate governance of the Board of directors and the supervision function of the audit committee. Currently serving as an independent director belongs to the 2nd term and has not exceeded 3 terms, and has not violated the provisions of Article 30 of the Company Law.	According to the company's Articles of Association and "Code of Practice on Corporate Governance", directors are elected through the nomination system, when nominating and selecting members of the Board of directors, the company has obtained a written statement from each director, work experience, current employment certificate, and the Relative relationship table provided, to verify and have confirmed myself, my spouse, and relatives within the tri-parent relatives as opposed to the company's Independence. ; In addition, it has been verified that the independent directors have complied with the requirements issued by the Financial Supervisory Commission during the two years before the election and during their tenure "Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed" and the qualification requirements stipulated in Article 14-2 of the Securities Exchange Act, and all independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Act, and independently perform relevant functions and powers.	0
Independent director: Zhuang Yuxin	Master of International Management from Thunderbird School of Global Management. Director Zhuang Yuxin joined the Board of directors in July 2017. She used to be the manager of First Resistance Capacitor Co. Miss Zhuang Yuxin has Corporate governance, Financial accounting, business analysis ability, it will improve the quality of corporate governance of the Board of directors and the supervision function of the audit committee. Currently serving as an independent director belongs to the 2nd term and has not exceeded 3 terms, and has not violated the provisions of Article 30 of the Company Law.	According to the company's Articles of Association and "Code of Practice on Corporate Governance", directors are elected through the nomination system, when nominating and selecting members of the Board of directors, the company has obtained a written statement from each director, work experience, current employment certificate, and the Relative relationship table provided, to verify and have confirmed myself, my spouse, and relatives within the tri-parent relatives as opposed to the company's Independence. ; In addition, it has been verified that the independent directors have complied with the requirements issued by the Financial Supervisory Commission during the two years before the election and during their tenure "Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed" and the qualification requirements stipulated in Article 14-2 of the Securities Exchange Act, and all independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Act, and independently perform relevant functions and powers.	0

II. Board of directors Diversification and Independence:

2.1 Board of directors Diversification:

- (1) Since May 2017, the election of all directors of the company has adopted a candidate nomination system; The company in November 9, 2017 Board of directors passed the "Corporate Governance Code". In Chapter 3 "Strengthening the Functions of the Board of Directors", a policy of diversification was drawn up. In addition, the 2016 Shareholders' Meeting passed the amendment "Director Election Method", and in Article 2, the policy of diversification of members of the Board of directors was

formulated in detail. The nomination and selection of members of the Board of directors of the company follows the provisions of the company's articles of association and adopts a candidate nomination system. In addition to evaluating the academic and experience qualifications of each candidate, and referring to the opinions of interested parties, abide by the "Director Election Method" and "Corporate Governance Code" to ensure the diversity and independence of Director members. In accordance with the provisions of the company's "Code of Practice on Corporate Governance", the structure of the Board of directors, based on the scale of the company's business development and the shareholding of its major shareholders, the number of directors should be 7-11, and the number of independent directors should be 3.

- (2) The composition of Board of directors members should consider diversification, and formulate appropriate diversification policies based on its own operation, business model and development needs, which should include but not limited to the following two major-oriented standards:

① Basic condition and value: Gender, Age, Nationality and culture etc. The age range of the Company's directors, there are four directors (40%) in the range above 71 years old, two directors (20%) in the range of 61-70 years old, and four directors in the range of 41-50 years old (40%) ; Among them, there is one female director (10%).

② Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skill and industry experience, etc.

- (3) Board of directors members should generally have the knowledge, skills and accomplishments necessary to perform their duties. In order to achieve the ideal goal of Corporate governance, the Board of directors should have the following capabilities as a whole:

- ① Business decision-making ability.
- ② Accounting and Financial analysis ability.
- ③ Operation management ability.
- ④ Crisis handling ability.
- ⑤ Industry knowledge.
- ⑥ International market outlook.
- ⑦ Leadership.
- ⑧ Decision-making ability.

- (4) Specific management objectives and implementation:

The 32nd Session Director member list of the company has the knowledge, skills and education necessary to perform the duties, and has rich legal, Accounting financial analysis, Industry knowledge, Marketing & Sales, business management,

Crisis handling, Operations judgment and other professions; The Company also emphasizes gender equality in the composition of the Board of Directors. Currently, there is one female director (10%) and the future goal is to increase the percentage of female directors to more than 20% and it is expected that the number of female directors will be increased in the 33rd Board of Directors to achieve the goal.

(5) Board of directors to implement the diversity situation:

The members of the 32nd Session Board of directors of the company have rich operation management, operation judgment and relevant industry knowledge, and their learning experience includes law, financial accounting, industry management, business marketing, etc. The company will continue to evaluate the diversity and complementarity of Director members and continue to implement the diversity policy. The implementation of the director diversity policy is described in the table below.

Director's Name	Gender	Independent directors less than 3 terms	Diversified Core Expertise						
	Age		Law	Accounting financial analysis	Industry knowledge	Marketing & Sales	Operation management	Crisis handling	Operational judgment
Chen Minduan	Male			V	V	V	V	V	V
	71-75 years old								
Chen Guanhua	Male			V	V	V	V	V	V
	41-45 years old								
Chen Tianzhu	Male				V	V	V	V	V
	85-90 years old								
Wu Changzhi	Male			V	V	V	V	V	V
	65-70 years old								
Zheng Lixiang	Male			V	V	V	V	V	V
	45-50 years old								
Chen Jianhao	Male			V	V	V	V	V	V
	41-45 years old								
Yang Zhaoxiong	Male				V	V	V	V	V
	65-70 years old								
Yang Wenzai	Male	V		V	V		V	V	V
	75-80 years old								
Ye Jinbao	Male	V	V					V	V
	75-80 years old								
Zhuang Yuxin	female	V		V			V	V	V
	45-50 years old								

2.2 Board of directors independence:

(1) Board of directors structure:

The company stipulates director selection system, the selection process of all directors is open, and fair, in line with the company's "Articles of Association", "Director Election Method", "Code of Practice on Corporate Governance", "Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Followed" and "Securities Exchange Act Article 14-2", etc., The composition of the current Board of directors accounts for 3 independent directors (30%), 7 non-independent directors (70%), among them, 1 director is an employee/managerial officer (10%, less than one-third of all directors), and 2 of all directors have a spouse or relative within the second degree of relatives (20%), matters that conform to the provisions of Article 26-3 of the Securities and Exchange Act, Items 3 and 4.

(2) Board of directors with independence:

The company's Board of directors guides the company's strategy, supervises the management, and is responsible to the company and shareholders. The various operations and arrangements in the corporate governance system, the Board of directors are in accordance with laws, Articles of Association or resolutions of the shareholders' meeting, etc., to exercise powers. The company's Board of directors emphasizes the function of independent operation and transparency. Directors and independent directors are all independent individuals and independently exercise their powers. The three independent directors also follow the relevant laws and regulations, cooperate with the audit committee's powers, review the management and control of the company's existing or potential risks, etc., accordingly, it is necessary to supervise the effective implementation of the company's internal control, the selection (removal) of Certified public accountants and independence and the proper preparation of financial statements. In addition, according to the "Director Election Method" of the company, the selection method of directors and independent directors adopts a cumulative voting system and a candidate nomination system to encourage shareholders to participate. Shareholders holding more than a certain number of shares can submit a list of candidates. The review of the qualifications of the candidates and the confirmation of whether there is any violation of the items listed in Article 30 of the Company Law, the relevant acceptance operations are carried out in accordance with the law and announced, protecting shareholders' equity, so as to avoid monopoly or excessive nomination rights and maintain independence. Company established Board of directors performance evaluation system, conduct Board of directors internal self-assessment and Director member assessment self-assessment once a year ; Board of directors performance evaluation, evaluation items include ① Participation in the company's operations, ② Board of directors decision quality, ③ Board of directors composition and structure, ④ Director's election and Continuing education and ⑤ Internal control etc. 5 aspects ; and Director member self-assessment, including ①

Mastery of company objectives and tasks, ② Director responsibility cognition, ③ Participation in the company's operations, ④ Internal relationship management and communication, ⑤ Director's professional and continuing education and ⑥ Internal control etc. 6 aspects. The above-mentioned relevant self-assessment results are disclosed in the company's annual report and official website after being submitted to the Board of directors.

In addition, in order to let the investing public fully understand the remaining Board of directors operating situation of the company, relevant information has also been disclosed in the company's annual report, official website or Taiwan Stock Exchange Public Information Observatory:

- ◆ Board of directors member participation in the meeting attendance status ;
- ◆ Board of directors proposals and resolutions ;
- ◆ Director continuing education situation ;
- ◆ Director member's shareholding changes (Shareholding ratio, share transfer and pledge settings, etc.) (please refer to Taiwan Stock Exchange Public Information Observatory).

(II) President, Vice general manager, associate, department and branch supervisors:

Apr. 30, 2023

Job title	Nationality	Name	Gender	Election (take office) date	Shares held		Shares held by spouse and minor children		Holdings shares in others' name		Major experience (academic)	Hold a concurrent post in another company	Managers related to a spouse or biparental relatives		
			Age		No. of share	Share held ratio	No. of share	Share held ratio	No. of share	Share held ratio			Job title	Name	Relation
President (Note)	Taiwan	Wu Yanhui (New proxy)	Male	Apr 2023	1,718	0	0	0	0	0	Graduated from Taipei Technical College of Mining and Metallurgy	Southeast Investment Director	None	None	None
			71-75 years old												
		Chen Guanhua (former)	Male	March 2022	6,484,910	1.13	0	0	0	0	University of Southern California MBA graduate	Dongni Construction Co., President	None	None	None
			41-45 years old												
Finance Dept. Vice general manager	Taiwan	Huang Xinhan	Male	Apr 2023	0	0	0	0	0	0	Graduated from the Institute of Business Administration, Tunghai University	Southeast Gaoliang, Supervisor	None	None	None
			55-60 years old												
Business dept. Vice general manager	Taiwan	Tang Rongzong	Male	Apr 2023	445	0	0	0	0	0	Graduated from Tunghai University	Tiancheng Concrete, Director	None	None	None
			55-60years old												
Kaohsiung Plant Plant Manager	Taiwan	Guo Mingquan (New)	Male	Apr 2023	0	0	0	0	0	0	Master of Industrial Management Science, Chengda University	Southeast Investment, Director	None	None	None
			65-70years old												
		Wu Yanhui (former)	Male	Nov 2013	1,718	0	0	0	0	0	Taipei Technical College of Mining and Metallurgy	Southeast Investment, Director	None	None	None
			71-75years old												

Note: The previous General manager resigned on March 14, 2023, and Wu Yanhui, the Vice general manager, will act as Acting general manager

III. Common Director and independent director, President and Vice-general manager's remuneration:

1. Remuneration of Common Director and independent director (individual disclosure of name and method of remuneration):

Unit: NT\$ thousand

Job title	Name	Director's remuneration								A,B,C,D 4 item, Total amount and proportion of net profit after-tax				Part-time employees receive relevant remuneration								A,B,C,D,E,F,G 7 item, Total amount and proportion of net profit after-tax				Receive remuneration from business outside subsidiary or parent company
		Remuneration (A)		Post-resign Pension(B)		Director remuneration (C) (Note 1)		Business Execution Expenses (D)						Salary, bonus and special expenses, etc. (E)		Post-resign Pension(F) (Note 2)		Employee remuneration(G)								
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company		All companies in financial report		The Company	All companies in financial report			
Cash Amount	Stock Amount																	Cash Amount	Stock Amount							
Chairman	East Tree Investment Co.,Ltd Representative:Chen Minduan	0	0	0	0	1,370	1,370	530	553	1,900	1.27%	1,923	1.29%	4,066	4,786	158	158	0	0	0	0	6,124	4.11%	6,867	4.61%	None
Director	East Tree Investment Co.,Ltd Representative: Chen Tianzhu																									
Vice chairman	Chen Zhaoshu Charity Foundation Representative:Chen Guanhua	0	0	0	0	1,370	1,370	530	556	1,900	1.27%	1,926	1.29%	4,009	4,597	231	265	200	0	200	0	6,340	4.25%	6,988	4.69%	None
Director	Chen Zhaoshu Charity Foundation Representative: Wu Changzhi																									
Director	Likai Investment Co.,Ltd Representative: Zheng Lixiang	0	0	0	0	685	685	265	265	950	0.64%	950	0.64%	0	0	0	0	0	0	0	0	950	0.64%	950	0.64%	None
Director	Evergreen Co.,Ltd Representative: Yang Zhaoxiang	0	0	0	0	686	686	265	265	951	0.64%	951	0.64%	0	0	0	0	0	0	0	0	951	0.64%	951	0.64%	None
Director	Southeast Cultural Foundation Representative:Chen Jianhao	0	0	0	0	686	686	265	265	951	0.64%	951	0.64%	0	0	0	0	0	0	0	0	951	0.64%	951	0.64%	None
Independent director	Yang Wenzai	0	0	0	0	0	0	505	505	505	0.34%	505	0.34%	0	0	0	0	0	0	0	0	505	0.34%	505	0.34%	None

Job title	Name	Director's remuneration								A,B,C,D 4 item, Total amount and proportion of net profit after-tax				Part-time employees receive relevant remuneration								A,B,C,D,E,F,G 7 item, Total amount and proportion of net profit after-tax				Receive remuneration from business outside subsidiary or parent company
		Remuneration (A)		Post-resign Pension(B)		Director remuneration (C) (Note 1)		Business Execution Expenses (D)						Salary, bonus and special expenses, etc. (E)		Post-resign Pension(F) (Note 2)		Employee remuneration(G)								
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All companies in financial report			
Independent director	Ye Jinbao	0	0	0	0	0	0	505	505	505	0.34%	505	0.34%	0	0	0	0	0	0	0	0	505	0.34%	505	0.34%	None
Independent director	Zhuang Yuxin	0	0	0	0	0	0	505	505	505	0.34%	505	0.34%	0	0	0	0	0	0	0	0	505	0.34%	505	0.34%	None

1.The directors' remuneration policy, criteria, standards, structure, and the relation between the amount of remuneration and the responsibilities, risks, time devoted and other factors are stated as follows : In accordance with Article 31 of the Company's Articles of Incorporation, the independent directors of the Company receive a fixed monthly fee as determined by the Board of Directors after being evaluated by the Compensation Committee with reference to the industry norms and do not participate in the distribution of the directors' remuneration to the Company when the Company is making profits.

2.In addition to the disclosure in the above table, the amount received by the Directors of the Company from providing services(such as acting as non-employee consultants, etc.) to all companies in the consolidated financial statements for the past year: None.

Note 1: Director remuneration for 2022 is the proposed number.

Note 2: The actual amount of Post-resign Pension paid in 2022 is NT\$0,000; the appropriations of Post-resign Pension expenses are NT\$389,000 and NT\$423,000 respectively.

Remuneration Grading Table

Grades of remuneration payable to Company's each director	Director's Name			
	Total of the first 4 items of remuneration (A+B+C+D)		Total of the first 7 items of remuneration (A+B+C+D+E+F+G)	
	The company	All companies in financial report H	The company	All companies in financial report I
Lower than 1,000,000 Yuan	Chen Minduan Chen Tianzhu Chen Guanhua Wu Changzhi Zheng Lixiang Chen Jianhao Yang Zhaoxiong Yang Wenzai Ye Jinbao Zhuang Yuxin	Chen Minduan Chen Tianzhu Chen Guanhua Wu Changzhi Zheng Lixiang Chen Jianhao Yang Zhaoxiong Yang Wenzai Ye Jinbao Zhuang Yuxin	Chen Tianzhu Zheng Lixiang Chen Jianhao Yang Zhaoxiong Yang Wenzai Ye Jinbao Zhuang Yuxin	Chen Tianzhu Zheng Lixiang Chen Jianhao Yang Zhaoxiong Yang Wenzai Ye Jinbao Zhuang Yuxin
1,000,000 (Inc.) ~ 2,000,000 Yuan			Wu Changzhi	Wu Changzhi
2,000,000 (Inc.) ~ 3,500,000 Yuan			Chen Guanhua	Chen Guanhua
3,500,000 (Inc.) ~ 5,000,000 Yuan			Chen Minduan	Chen Minduan
5,000,000 (Inc.) ~ 10,000,000 Yuan				
10,000,000 (Inc.) ~ 15,000,000 Yuan				
15,000,000 (Inc.) ~ 30,000,000 Yuan				
30,000,000 (Inc.) ~ 50,000,000 Yuan				
50,000,000 (Inc.) ~ 100,000,000 Yuan				
Above 100,000,000 Yuan				
Total				

2. President and Vice general manager remuneration (individual disclosure of name and method):

Dec. 31, 2022

Unit: NT\$ thousand

Job title	Name	Salary(A)		Post-resign Pension(B) (Note 1)		Bonus and special expenses, etc (C)		Employee remuneration amount (D)				A, B, C, D 4 item, Total amount and proportion of net profit after-tax(%)				Receiving remuneration from reinvestment business or parent company other subsidiary
		The company	Companies in financial report	The company	Companies in financial report	The company	Companies in financial report	The company		All companies in financial report		The company		All companies in financial report		
								Cash amount	Stock amount	Cash amount	Stock amount					
President	Chen Guanhua	2,554	3,162	145	178	98	98	0	0	0	0	2,797	1.88	3,438	2.31	None
Management Dept. Vice general manager	Lin Junjie	802	802	50	50	174	174	0	0	0	0	1,026	0.69	1,026	0.69	None

Note 1: In 2022, the actual payment of Post-resign Pension amount and the appropriation of Post-resign Pension expenses are 50,000 yuan and 178,000 yuan, respectively.

Remuneration Grading Table

Grades of remuneration payable to Company's each director	General Manager and Deputy General Manager Name	
	The Company	All companies in financial report
Lower than 1,000,000 Yuan		
1,000,000 (Inc.) ~ 2,000,000 Yuan	Lin Junjie	Lin Junjie
2,000,000 (Inc.) ~ 3,500,000 Yuan	Chen Guanhua	Chen Guanhua
3,500,000 (Inc.) ~ 5,000,000 Yuan		
5,000,000 (Inc.) ~ 10,000,000 Yuan		
10,000,000 (Inc.) ~ 15,000,000 Yuan		
15,000,000 (Inc.) ~ 30,000,000 Yuan		
30,000,000 (Inc.) ~ 50,000,000 Yuan		
50,000,000 (Inc.) ~ 100,000,000 Yuan		
Above 100,000,000 Yuan		
Total		

3. The name of the Managerial officer who distributes employee remuneration and the distribution situation:

Unit: NT\$ thousand

	Job title	Name	Stock amount	Cash amount (Note)	Total	Proportion of Total amount to Net profit after-tax(%)
Managerial officer	Production Vice general Acting General Manager	Wu Yanhui	0	357	357	0.24
	Finance dept. Vice general	Huang Xinhan				
	Business dept. Vice general manager	Tang Rongzong				

Note: 2022 Employee remuneration is the proposed number.

(IV) Analysis of the ratio of the total remuneration paid to the company's directors (Including independent directors), President and Vice-general manager by The company and All companies in Consolidated statement in the last two years to the net profit after tax and the policy, standard and combination of payment of remuneration, the procedure of determining remuneration and business performance, and the correlation of future risks:

The ratio of the total remuneration paid to the company's directors (Including independent directors), supervisors, President and Vice-general manager in the last two years to the net profit after tax:

Annual Remuneration Details Company	Director's remuneration		President and Vice general manager remuneration		Total	
	Year 2022	Year 2021	Year 2022	Year 2021	Year 2022	Year 2021
The company	11.30%	11.44%	2.64%	1.12%	13.94%	12.56%
All companies in the consolidated statement	12.24%	14.13%	3.07%	1.12%	15.31%	15.25%

1. The proportion of the company's total payment to directors (including independent directors) to net profit after tax will be lower in 2022 than in 2021, which is due to the increase in net profit after tax in 2022; The proportion of the total remuneration of the President and Vice-general manager in the net profit after tax will be higher in 2022 than in 2021, due to the increase in the number of senior executives in the Company.
2. The company's remuneration policy, standard and combination are as follows:

(1) Director remuneration

The attendance fee of all directors of the company (including independent directors) which is determined by the Board of directors after the Compensation committee refers to the usual standards of the industry in accordance with the provisions of Article 31 of the Articles of Association. In addition, if the company makes profits in the annual settlement, according to Article 37 of the Articles of Association, no more than 3% of the annual profits will be allocated as Director remuneration, and independent directors are paid a fixed monthly fee by the board of directors and do not participate in Director remuneration distribution.

(2) Managerial officer remuneration

The Company's Managerial officer salary considers the time invested by the individual, the responsibilities undertaken, whether the goal is achieved, whether he holds other positions, the salary remuneration given by the Company to those in the same position in recent years, etc., regardless of the Company's profit or loss, should be paid. In addition, the bonus considers the Managerial officer performance evaluation item, which includes the achievement of the Company's business goals, the company's financial status, etc. to evaluate the rationality of the relationship between personal contribution, Company's operating

performance and future risks, which is reviewed by the Compensation committee and sent to the Board of directors for resolution.

(3) Employee Compensation

The company is committed to providing employees with an average level of remuneration and benefits in the industry. On the premise of taking into account external competition, internal fairness and legality, we provide a competitive remuneration system, and uphold the concept of profit sharing with employees, retain and motivate employees. The remuneration of the company's employees includes monthly salary, and Employee remuneration issued by the company according to the annual profit status. According to Article 37 of the company's articles of association, it should be allocated not lower than 2% of the annual profit as employee remuneration.

3. The correlation between remuneration and operating performance and future risk:

Salary & Compensation of fixed payment: None.

Director's remuneration and dividends for profit distribution: positive correlation.

Correlation between objects and future risks: None.

IV. Corporate Governance operating situation

(I) Board of directors operating situation:

In the most recent year (Year 2022), the Board of directors held 5 (A) meetings, and the attendance of the directors is as follows:

Job title	Name	Actual No. of (w/ Nonvote) Attendance times - B	No. of attendance by proxy	Actual Attendance rate (w/ Nonvote) (%) [B / A]	Remarks
Chairman	East Tree Investment Co., Ltd Representative: Chen Minduan	5	0	100	
Direcctor	Chen Zhaoshu Charity Foundation Representative: Chen Guanhua	5	0	100	
Direcctor	East Tree Investment Co., Ltd Representative: Chen Tianzhu	5	0	100	
Direcctor	Chen Zhaoshu Charity Foundation Representative: Wu Changzhi	5	0	100	
Direcctor	Likai Investment Co., Ltd Representative: Zheng Lixiang	5	0	100	

Director	Southeast Cultural Foundation Representative: Chen Jianhao	4	1	80	
Director	Evergreen Co. Ltd. Representative: Yang Zhaoxiong	5	0	100	
Independent director	Yang Wenzai	5	0	100	
Independent director	Ye Jinbao	5	0	100	
Independent director	Zhuang Yuxin	5	0	100	

Other matters to be recorded:

- 1) If one of the following situations occurs in the operation of the Board of directors, the date of the Board of directors, Term No., Proposal Content, All independent director opinions and the Company's handling of independent director opinions should be stated:
(1) Matters listed in Article 14-3 of the Securities and Exchange Act: None.

Meeting Date	Term	Proposal Content	All Independent director's opinions	Handle independent director opinions
2022.01.04	32nd Session, No. 12th	1. For the company's transformation needs, it is proposed to bid for the case of "Kaohsiung Port No. 45 Cement Round Storage and Auxiliary Facilities (1)" from Kaohsiung Port Branch of Taiwan Port Affairs Co.,	Approved by all independent directors	None
2022.03.15	32nd Session, No. 13th	1. Amendments to the "Procedures for Acquisition or Disposal of Assets". 2. Amendments to some articles of the "Articles of Association". 3. Proposed bidding sale of real estate located at No. 32, Daye South Road, Xiaogang District, Kaohsiung City, and machinery and equipment. 4. Dongni Construction Co., a 100% subsidiary of the company, plans to issue 50 million new shares at NT\$10 per share, total: NT\$500 million.	Approved by all independent directors	None
2022.05.12	32nd Session, No. 14th	1. Amend "Director Election Method" part of the article's text.	Approved by all independent directors	None

		2. Amend "Shareholders' Meeting Procedures" part of the article's text 3. Amend "Code of Practice on Corporate Governance" part of the article's text. 4. Amend "Code of Practice on Corporate Social Responsibility" name and part of the article's text. 5. Proposal to lease land No. 3, Section 4, Economic and Trade Section, Qianzhen District, Kaohsiung City to Southeast Miller International Co., Ltd., a 51%-owned subsidiary of the Company.		
2022.08.11	32nd Session, No. 15th	1. The Company's subsidiary Southeast Gaoliang Resource Recycle Co., It is proposed to lease the company's land No. 6550-1, 6551, Chikan Section, Chikan District, Kaohsiung City, and other two land lease B cases.	Approved by all independent directors	None
2022.11.11	32nd Session, No. 16th	1. Work out the company Risk Management Policies and Procedures Case. 2. Revise the company "Internal major information process and insider trading prevention procedures" case. 3. Proposed purchase of 100% equity of Dayang Construction Co., for NT\$100 million.	Approved by all independent directors	None
(2) In addition to the above-mentioned matters, other Board of directors resolutions that have been objected or reserved by the independent director and have records or written statements: None. 2) The director's implementation of the recusal of the stakeholder proposal should state the Director's Name, Proposal Content, reasons for the recusal and participation in voting: 32nd Session, No. 16th Board of directors passed the "Proposal to Purchase 100% Equity of Dayang Construction Co., with NT\$100 million", since the Chairman and Vice chairman are interested parties, they refrain from discussing and voting on this case.				

3) The company's Year 2022 Board of Directors performance evaluation report is as follows:
Southeast Cement Corp., Year 2022 Board of Directors performance evaluation report

Evaluation cycle	Evaluate Period	Scope of Evaluation	Evaluation Method	Evaluation Content
Executed once a year	2022.01.01 ~2022.12.31	Board of directors	Board of directors internal self-assessment	Board of directors performance evaluation Measure items contains 5 aspects (45 indicators): Participation in the company's operations, improve the decision-making quality of Board of directors, Board of directors composition and structure, Director's election and Continuing education, Internal control .
Executed once a year	2022.01.01 ~2022.12.31	Individual director member	Director member self-assessment	Director member performance evaluation Measure items contains 6 aspects (23 indicators): Mastery of company objectives and tasks, Director responsibility cognition, Participation in the company's operations, internal relationship management and communication, Director's professional and continuing education, Internal control .
Executed once a year	2022.01.01 ~2022.12.31	Functional committee	Director member self-assessment	Functional committee performance evaluation Measure items contains 5 aspects (26 indicators): Participation in the company's operations, Functional committee responsibility cognition, promotion Functional committee decision quality, Functional committee composition and member election, Internal control .

- 4) Current year and most recent year's goal of strengthening the functions of the Board of directors (e.g., Establish Audit committee, improving information transparency, etc.) and implementation status evaluation:
- (1) Revise Board of Directors Meeting Regulations, as the basis for the operation of the Board of directors.
 - (2) Announce financial and business information regularly or irregularly according to laws and regulations.
 - (3) Establish Compensation committee, set up and regularly review and evaluate the rationality of director and Managerial officer Salary & Compensation policy, system, standards and structure, etc., and submit its recommendations to the Board of directors for discussion.
 - (4) Establish Audit committee, in charge of Internal control system validity assessment, related to major issues stipulated by the company or the competent authority, and submit its recommendations to the Board of directors for discussion.

5) Evaluation results: The board of directors of the company is in good condition.

(II) Audit committee participate Board of directors operating situation:

1. The Audit Committee operating situation:

For the most recent year (Year 2022), the Audit Committee convened 5 times (A), and the attendance of the independent director was as follows:

Job Title	Name	Actual No. of (w/ Nonvote) Attendance Times - B	Proxy Attendance Times	Actual Attendance Rate (w/ Nonvote) (%) [B / A]	Remarks
Independent director	Yang Wenzai	5	0	100	
Independent director	Ye Jinbao	5	0	100	
Independent director	Zhuang Yuxin	5	0	100	

Other matters to be recorded:

- 1) For the professional qualifications and experience of the members of the Audit Committee, please refer to the related content of directors' information on page13.
- 2) If any of the following situations occurs in the operation of the audit committee, the audit committee meeting date, period, content of proposals, Independent directors' objections, reserved opinions, or content of major proposals, Results of Audit Committee Meeting Resolutions shall be stated, and the company's handling of the audit committee's opinion:
(1) Matters listed in Article 14-5 of the Securities and Exchange Act.

Meeting Date	Term	Proposal Content	Independent directors' objections	Reservations and major proposals item content	Results of Audit Committee Meeting Resolutions	Audit committee opinion handling
2022.01.04	2nd session, No. 10th	1. For the company's transformation needs, it is proposed to bid for the case of "Kaohsiung Port No. 45 Cement Round Storage and Auxiliary Facilities (1)" from Kaohsiung Port Branch of Taiwan Port Affairs Co.,	None	None	Approved by all audit committees .	None
2022.03.15	2nd session, No. 11th	1. The company 2021 Annual statement of internal control system. 2. The company 2021 Annual business report, individual financial report and consolidated financial report. 3. Amendments to the "Procedures for Acquisition or Disposal of Assets" 4. Amendments to some articles of the "Articles of Association". 5. Proposed bidding sale of real estate located at No. 32, Daye South Road, Xiaogang District,	None	None	Approved by all audit committees .	None

		Kaohsiung City, and machinery and equipment. 6. Dongni Construction Co., Ltd., a 100% subsidiary of the company, plans to issue 50 million new shares at NT\$10 per share, total: NT\$500 million.				
2022.05.12	2nd session, No. 12th	1. Amend "Director Election Method" part of the article's text. 2. Amend "Shareholders' Meeting Procedures" part of the article's text. 3. Amend "Code of Practice on Corporate Governance" part of the article's text. 4. Amend "Code of Practice on Corporate Social Responsibility" name and part of the article's text. 5. Proposal to lease land No. 3, Section 4, Economic and Trade Section, Qianzhen District, Kaohsiung City to Southeast Miller International Co., a 51%-owned subsidiary of the Company.	None	None	Approved by all audit committees .	None
2022.08.11	2nd session, No. 13th	1. The company year 2022 Second Quarter Consolidated Financial Report. 2. The company's subsidiary Southeast Gaoliang Resources Recycling Co., Ltd. (hereinafter referred to as Southeast Gaoliang) intends to lease the company's land number 6550-1 and 6551 in Chaozhouliao 3rd Subsection, Chikan Section, Daliao District, Kaohsiung City.	None	None	Approved by all audit committees .	None
2022.11.11	2nd session, No. 14th	1. The company Year 2023 Internal Audit Operation Review Plan Declaration Form. 2. Work out the company Draft Risk Management Policies and Procedures 3. revise the company "Internal major information process and insider trading prevention procedures" proposal.	None	None	Approved by all audit committees .	None

(2) Except for the matters mentioned above, other matters not approved by the Audit

Committee, and is a matter of resolution that is approved by more than two-thirds of all directors:None.

(3) Summary of working keypoint of the Audit Committee:

1. Establish or amend the Internal control system in accordance with Article 14-1.
2. Internal control system validity assessment.
3. To formulate or amend the procedures for dealing with major financial business activities such as acquiring or disposing of assets, engaging in derivatives transactions, lending funds to others, and endorsement or guarantee for others in accordance with the provisions of Article 36-1.
4. Review matters involving the interests of the directors themselves.
5. Review significant assets or derivatives transactions.
6. Review major capital loans, endorse or provide guarantees.
7. Reviewing the raising, issuing or private placement of securities with equity nature.
8. Review the appointment, dismissal or Compensation of Certified public accountants.
9. Review the appointment and dismissal of financial, accounting or internal audit supervisors.
10. Review annual financial report and semi-annual financial report.
11. Review other important matters stipulated by the company or the competent authority.

Audit financial reports

Board of directors prepares the company's 2022 annual business report, financial statements (including individual and consolidated financial statements) and profit distribution proposals, etc Among them, the financial statements have been audited by Cai Shuman and Li Qinglin accountants of Crowe Horwath United Accounting Firm, and an audit report has been issued. The above business report, financial statements and profit distribution proposal have been audited by this Audit committee, and there is no discrepancy.

- 3) Independent director's implementation of the recusal of the stakeholder proposal should state the independent director's name, proposal content, reason for recusal and voting status: None.
- 4) Communication between the Independent director and the internal audit supervisor and accountant (should include major issues, methods and results of communication on the company's financial and business conditions, etc.)
 - (1) The internal audit supervisor of the company reports the audit results to the Audit committee members every month. If there are special circumstances, they will report to the Audit committee members from time to time. There will be no such special circumstances in 2022. The audit committee members of the company communicate well with the internal audit supervisor.
 - (2) The Certified public accountant of the company will communicate with the Audit committee on the audit plan at the beginning of each year, and regularly report the annual and semi-annual financial statement audit or audit results and other communication matters required by relevant laws and regulations, if there are special circumstances, it will be reported to the Audit committee members from time to time, and there will be no such special circumstances in 2022. The audit committee members of the company communicate well with the Certified public accountants.

2. Supervisors' participation in the Board of directors operating situation:

The Company has established an Audit committee to replace the Supervisors after the re-election at the 2017 Annual general meeting.

(III) The operation of corporate governance and its differences from the Code of Practice for Corporate Governance of Listed OTC Companies and the Reasons:

Evaluation items	Operating situation			Differences from the Code of Practice for Corporate Governance of Listed OTC Companies and the Reasons
	Yes	No	Summary description	
[1]. Is the company formulating and disclosing the Corporate Governance Code of Practice in accordance with the "Corporate Governance Code of Practice for Listing and Listing"?	yes		The company has a "Code of Practice on Corporate Governance" and follows the following principles: 1). Protecting shareholders' equity, 2). Strengthening the functions of the Board of directors, 3). Respecting the rights and interests of stakeholders, 4). Improving information transparency, rules of procedure and director selection methods, etc.	None
[2]. Company ownership structure and shareholders' equity				
(1) Has the company formulated internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implemented them according to the procedures?	yes		(1) If shareholders have any suggestions or disputes related to stock affairs to report to the company, there are dedicated personnel and stock affairs agencies to deal with shareholder suggestions, doubts, disputes and litigation matters.	None
(2) Does the company have a list of the major shareholders who	yes		(2) The company keeps a timely grasp of the list of major shareholders and controllers,	None

actually control the company and the ultimate controllers of the major shareholders?			and discloses it in accordance with regulations every month.	
(3) Has the company established and implemented a risk control and firewall mechanism with related companies?	yes		(3) The company has established measures for capital loans, endorsement guarantees or business contacts with related companies to strictly control risks. The company has a full-time unit responsible for the management of reinvestment businesses. This unit regularly monitors the operation and financial status of the reinvested company, and is responsible for communication and coordination of related work.	None
(4) Has the company formulated internal regulations to prohibit company insiders from using undisclosed information on the market to buy and sell securities?	yes		(4) The company has "Code of Ethical Conduct", "Employee Code of Ethical Conduct" and other regulations, which prohibit company insiders from using unpublished information on the market to buy and sell securities.	None
[3]. The composition and responsibilities of the Board of directors (1) Whether the Board of directors studies out diversification policy, specific management objectives, and implementation?	yes		(1) The company in November 9, 2017, the Board of directors passed the "Corporate Governance Code", and in Chapter 3 "Strengthening the functions of the Board of directors", there is a Diversification policy in the study out. In addition, the Passed amendment "Director Election Method" of the 2016 Shareholders' Meeting detailed the Diversification policy on	None

(2) In addition to the Salary & compensation committee and Audit committee set up by law, does the company voluntarily set up other functional committees?	yes		the composition of the Board of directors in Article 2. All are implemented in accordance with the policy objectives. (2) The company has set up Salary & compensation committee and Audit Committee according to law.	None
(3) Does the company formulate the Board of directors performance evaluation method and evaluation method, conduct performance evaluation every year and regularly, and report the results of performance evaluation to the Board of directors, and use it as a reference for individual directors' Salary & Compensation and nomination for renewal?	yes		(3) The Board of directors of the company passed the "Board of directors performance evaluation method" on November 8, 2019, stipulating that the Board of directors should perform performance evaluation for the Board of directors, Director member, Compensation Committee and Audit committee at least once a year. The internal evaluation shall be carried out at the end of each year in accordance with this method for performance evaluation of the current year. Measure items of The Company Board of Directors performance evaluation, including 5 aspects as below: (1) Participation in the company's operations. (2) Improve the decision-making quality of Board of directors. (3) Board of directors composition and structure. (4) Director's election and continuing education. (5) Internal control . Director member performance	None

			evaluation measure items including the following: (1) Mastery of company objectives and tasks. (2) Directors' responsibility cognition. (3) Participation in the company's operations. (4) Internal relationship management and communication. (5) Director's professional and continuing education. (6) Internal control . Compensation committee performance evaluation measure items including the following: (1) Participation in the company's operations. (2) Salary & compensation committee duty cognition. (3) Improving the decisions quality of salary and compensation committee. (4) Salary & compensation committee composition and member election. Audit committee performance evaluation measure items including the following: (1) Participation in the company's operations. (2) Audit committee responsibility cognition. (3) Improving the decisions quality of audit committee. (4) Composition and Selection of Audit Committee Members. (5) Internal control. The evaluation is carried out by the Administrative Management Dept. It adopts internal questionnaires and operates according to the Board of directors, director	

			participation, Compensation committee operation and Audit committee. The directors evaluate the operation of the Board of directors, the directors evaluate their own participation, the remuneration committee evaluates the operation of the committee, and the audit committee evaluates the operation of the committee. The above performance evaluation results will be used as a reference when selecting or nominating directors, and the performance evaluation results of directors and Functional committee members will be used as a reference for determining their individual Salary & Compensation. After all the questionnaires are collected in January every year, the company's management department will analyze according to the previous method, report the results to the board of directors, and propose measures for improvement based on the director's suggestions. The company in January 2023 will complete the Board of directors, Director member, Compensation Committee and Audit committee performance evaluation, and the Board of directors held on March 14, 2023 will report the evaluation results and the direction of continuous	

(4) Does the company regularly evaluate the independence of the certified public accountant?	yes	strengthening in the next year. This year's evaluation scores range from 4.4 to 4.7 points, which is still good. Suggestions and improvement actions for the Board of directors and Functional committee are as follows: (1) Board of directors: [4.7 points] The director suggested increasing the meeting frequency of the Board of directors. (2) Salary & compensation committee: [4.4 points] Committee members suggest: None. (3) Audit committee: [4.4 points] Committee members suggest: None. (4) The audit committee of the company evaluates the independence and suitability of the Certified public accountants of the company every year. In addition to requiring Certified public accountants to provide "detached independence statement" and "audit quality indicators (AQIs)", and evaluate according to the standard of Note 1 (page 50). It is confirmed that the accountant has no financial interest or business relationship with the Company other than the expenses of certification and tax cases and that the members of the accountant's family do not violate the independence requirement, and refer to the AQI index information to confirm that the audit experience of	None

			accountants and firms is better than the average level of the industry, and the load of accountants to inspect publicly issued companies is lower than that of peers. In addition, the total number of audit hours invested by accountants is higher than that of peers. After the evaluation results of the latest year have been discussed and approved by the Audit committee on March 14, 2023, and submit the Board of directors resolution passed on March 14, 2023 to the assessment of the independence and suitability of accountants.	
[4]. Whether the listed OTC company has a qualified and appropriate number of Corporate Governance staff, and designate a Corporate Governance chief to be responsible for Corporate Governance-related affairs (Including but not limited to providing directors and supervisors with necessary information to carry out business, assisting directors and supervisors to follow laws and regulations, to handle matters related to the meetings of the Board of directors in accordance with the law, prepare Board of directors and shareholder meeting minutes , etc.)?	yes		After the Board of directors resolution passed on November 10, 2020, the company appointed Huang Xinhan Vice general manager as Corporate Governance chief, protecting shareholders' equity and strengthening the functions of the Board of directors. Huang Xinhan, Vice general manager, has more than ten years of experience in the financial management of public companies. The main duty is to handle matters related to the meetings of the Board of directors in accordance with the law, prepare Board of directors and shareholder meeting minutes, assist directors in their appointment and continuing education, provide directors with information needed to perform their duties, and assist directors in complying with laws and regulations, etc.	None

[5]. Whether the company has established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), and set up a special area for stakeholders on the company website, and properly responded to important corporate social responsibility issues that stakeholders are concerned about?	yes	The company has established smooth communication channels with stakeholders: (1) Shareholders: 1. The shareholders' meeting is held in the second quarter of each year, and each proposal is voted case by case. Investors can fully participate in the proposal voting process. 2. Issue the annual report of the shareholders' meeting and business report every year for investors to inquire online or obtain paper information. 3. Announce the previous month's revenue on the public information observatory and company website every month. (2) Employees: Employee education and training (every year), employee welfare committee, occupational safety and health committee (every three months). (3) Communities and local: Provide social welfare and good-neighborly donations. (4) Customers: 1. Customer satisfaction survey (annual), quality assurance, market research, regular and irregular visits, customer interviews, etc., to obtain customer feedback information. 2. Strengthen technical services, take the initiative in technical marketing, respond to customer needs in real time, and supply stable quality products.	None

			3. Innovate and develop new products and new businesses to provide customers with better and more comprehensive services. In addition, the company's Website has set up a sustainable development zone (URL: http://www.southeastcement.com.tw/), which is beneficial for the company to understand the concerns of stakeholders and respond appropriately, and refer to feedback from all social circles for continuous improvement.	
[6]. Does the company appoint a professional stock affairs agency to handle the affairs of the shareholders meeting?	yes		The company appointed the Stock Affairs Agency Department of Yuanta Securities Co., to handle the affairs of the shareholders meeting.	None
[7]. Information Disclosure (1) Does the company set up a website to disclose financial business and Corporate Governance information?	yes		(1) The company uses the company website and the public information observation station of the exchange to regularly disclose the company's financial and major information.	None
(2) Does the company adopt other methods of information disclosure (such as setting up an English website, appointing a special person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, placing the company	yes		(2) The company has a special person responsible for the collection and disclosure of information and has a spokesperson and acting spokesperson.	None

website during the legal person briefing session, etc.)?				
(3) Does the company announce and file the annual financial report within two months after the end of the fiscal year, and announce and file the first, second, and third quarter financial reports and the operating conditions of each month before the prescribed deadline?		No	(3) The company announces and submits the annual financial report within three months after the end of the fiscal year, and announces and submits the first, second and third quarter financial reports and the operating conditions of each month before the prescribed deadline.	None

- [8] Does the company have other important information that is helpful to understand the Corporate governance operating situation (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of interested parties, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of client policies, company's purchase of liability insurance for directors and supervisors, etc.):
- (1) Formulate personnel-related management measures in accordance with the law, allocate labor pensions, employee group insurance and care for retirees, etc., to protect employee equity.
 - (2) There are employee compensation methods, the establishment of employee welfare committees, employee mutual aid methods and various welfare funds for employees to take care of employees and their families.
 - (3) Yuanta Securities, a professional stock agency company, is appointed to be responsible for investor services, and to honestly disclose company information according to the law, so as to protect the equity of investors and fulfill the company's responsibilities to shareholders.
 - (4) Clearly sign contracts and provide guarantees as needed to protect the rights of interested parties.
 - (5) Status of advanced training of directors (Including independent directors):

Job Title	Name	Time	Course Title	Hours	Total Hours
Chairman	Chen Minduan	2022.06.10	2022 Insider Trading Prevention Seminar	3	9
		2022.10.07	Independent director and Audit committee's exercise of powers reference guide release and director supervisor promotion meeting	3	
		2022.10.12	2022 Annual insider equity transaction legal compliance publicity briefing	3	
Director	Chen Guanhua	2022.06.10	2022 Insider Trading Prevention Seminar	3	9
		2022.10.11	Corporate Fraud Investigation Practices and Case Studies	6	
Director	Chen Tianzhu	2022.05.20	2022 Insider Trading Prevention Seminar	3	6
		2022.10.14	2022 Insider Trading Prevention Seminar	3	
Director	Zheng Lixiang	2022.05.04	International Twin Summits	2	7
		2022.05.20	2022 Insider Trading Prevention Seminar	3	
		2022.07.20	Sustainable development roadmap for industry theme promotion meeting	2	

Director	Chen Jianhao	2022.05.12	International Twin Summits	2	7
		2022.06.10	2022 Insider Trading Prevention Seminar	3	
		2022.07.13	Sustainable development roadmap for industry theme promotion meeting	2	
Director	Yang Zhaoxiang	2022.05.04	International Twin Summits	2	7
		2022.05.20	2022 Insider Trading Prevention Seminar	3	
		2022.07.07	Sustainable development roadmap for industry theme promotion meeting	2	
Director	Wu Changzhi	2022.07.07	Sustainable development roadmap for industry theme promotion meeting	2	8
		2022.08.08	Corporate Sustainability Risks and Opportunities	3	
		2022.10.07	Independent director and Audit committee's exercise of powers reference guide release and director supervisor promotion meeting	3	
Independent director	Yang Wenzai	2022.08.05	Risks and Opportunities of Climate Change and Net-Zero Emission Policies to Business Operations	3	6
		2022.11.04	Technology development and Business model of Blockchain	3	
Independent director	Ye Jinbao	2022.05.04	International Twin Summits	2	7
		2022.05.20	2022 Insider Trading Prevention Seminar	3	
		2022.07.07	Sustainable development roadmap for industry theme promotion meeting	2	
Independent director	Zhuang Yuxin	2022.05.04	International Twin Summits	2	11
		2022.10.26	2022 Annual insider equity transaction legal compliance publicity briefing	3	
		2022.12.21	A New Positioning of Internal Audit from a Case Study - The Intersection of Ethics and Law	6	

(6) Corporate governance chief further education situation:

Job title	Name	Time	Course Title	Hours
Corporate Governance chief	Huang Xinhan	2022.06.10	2022 Insider Trading Prevention Seminar	3
Corporate	Huang	2022.07.20	Sustainable development roadmap	2

Governance chief	Xinhan		for industry theme promotion meeting	
Corporate Governance chief	Huang Xinhan	2022.08.24	ISSB S1 Criteria for analysis of the concept of "General Provisions on the Disclosure of Sustainability-Related Financial Information"	3
Corporate Governance chief	Huang Xinhan	2022.08.25	ISSB S2 Criteria for analysis of the concept of "Disclosure of Climate-related Information"	3
Corporate Governance chief	Huang Xinhan	2022.08.26	ISSB S2 Industry Analysis (Part 1): Consumer Goods, Extraction and Mineral Processing, Finance, Technology Communication, Resource Conversion	3
Corporate Governance chief	Huang Xinhan	2022.08.31	Read the TCFD Report: Grasp the Key Points of Information	3
Corporate Governance chief	Huang Xinhan	2022.08.31	Preparation of TCFD report: Main Points of Reference	3

- (7) The company adopts a comprehensive risk management and control system, and formulates relevant management procedures and regulations, so that the management can clearly identify, measure and effectively control various risks, including maintaining sufficient working capital, conducting credit inquiries on customers, evaluating suppliers, etc.
- (8) The company implements the quality policy in accordance with the ISO9001 standard, and establishes service management procedures, conducts customer complaint handling and satisfaction surveys, etc., and tracks and improves to achieve the goal of serving customers.
- (9) The company has purchased liability insurance of USD 3 million for Director, Independent director and Managerial officer.

[9]. Please explain the improvement in the Corporate Governance Evaluation Results issued by the Corporate Governance Center of Taiwan Stock Exchange in the latest year, and propose priority strengthening items and measures for those that have not yet improved. (Companies not included in the evaluation do not need to fill in)

The situation should be improved for the evaluation of Corporate governance:

- (1) The 2022 Director's remuneration report is listed separately from the report items. (Refer to the 2023 annual meeting manual)
- (2) The annual report discloses the link between director and Managerial officer performance evaluation and remuneration. (see page30-31)
- (3) The annual report discloses the results of the functional committee's internal performance evaluation and the date of presentation to the Board of Directors.(see page 40-43)

Note 1: The company March 14, 2023 Board of directors evaluation accountant independence evaluation, evaluation items details refer to the table below:

2023 Certified Public Accountant independence and Suitability Evaluation Form

- (1) Evaluation Unit: Board of Directors
- (2) Evaluation year: 2023
- (3) Evaluation date: 2023.03.14
- (4) Evaluation appointment of Accounting firm and Accountant:
Crowe Horwath United Certified Public Accountants
/Cai Shuman accountant, Li Qinglin accountant
- (5) Evaluation Content:
With reference to Article 47 of the Accountants Act and the ROC Accountants Professional Ethics Bulletin No. 10 "Integrity, Fairness, Objectivity and Independence":

Evaluation items	Evaluation results
1. There is no direct or significant indirect financial interest relationship between the Certified public accountant and the company.	☒ yes ☐ no
2. There is no significant and close business relationship between the Certified public accountant and the company.	☒ yes ☐ no
3. The Certified public accountant has no potential employment relationship when auditing the company.	☒ yes ☐ no
4. The Certified public accountant has no money loan with the company.	☒ yes ☐ no
5. The Certified public accountant has not accepted gifts or gifts of great value (the value of which exceeds the general social etiquette standards) from the company and the directors and managers of the company.	☒ yes ☐ no
6. No Certified public accountant has provided audit services for the company for seven consecutive years.	☒ yes ☐ no
7. The Certified public accountant does not hold any shares of the company.	☒ yes ☐ no
8. The Certified public accountants themselves, their spouses or dependent relatives, and their audit team have not served as directors, managers of the company or positions that have a significant impact on the audit case during the audit period or in the past two years. It is also confirmed that he will not hold the above-mentioned relevant positions in the future audit period.	☒ yes ☐ no
9. Whether the Certified public accountant has complied with the regulations on independence in the Accountant Professional Ethics Bulletin No. 10, and has obtained the "independence statement" issued by the Certified public accountant.	☒ yes ☐ no
10. Does the visa accountant provide audit quality index (AQI) information, including 11 indicators in 4 major dimensions, including professionalism, quality control, supervision, and innovation ability, as a reference.	☒ yes ☐ no

(IV) Compensation committee composition, responsibilities and Operating situation:

1. Compensation committee aims to formulate and regularly review directors and Managerial officer performance evaluation with Salary & Compensation policy, system, Standard and structure, give assistance to Board of directors regularly evaluate and appoint directors and Salary & Compensation of Managerial officer.

2. Salary & compensation committee member data:

Conditions Identities Name		Professional Qualifications & Experience	Independence situation	No. of remuneration committee members concurrently serve other public companies
Independent director (Chairperson)	Yang Wenzai	Note	1. Chairman of the company's independent director and the Legal representative of the Company's affiliated company - Penghu Cable TV Co. 2. No shareholding in the Company and its affiliates. 3. The amount of remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates for the last two years was NT\$960,000.	2
Independent director	Ye Jinbao	Note	1. Act as an independent director of the Company. 2. No shareholding in the Company and its affiliates. 3. The amount of remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates for the last two years was NT\$960,000.	0

Independent director	Zhuang Yuxin	Note	1. Act as an independent director of the Company. 2. No shareholding in the Company and its affiliates. 3. The amount of remuneration received for business, legal, financial, and accounting services provided by the Company or its affiliates for the last two years was NT\$960,000.	0

Note 1: Refer to Professional Qualifications & Experience of directors on page 13.

3. Salary & compensation committee operating situation:

- (1) The Salary & compensation committee of the company has 3 members.
- (2) Term of office of this session committee: From August 11, 2020 to June 19, 2023, the Salary & compensation committee will meet twice in the most recent year (A). The qualifications and attendance of the committee members are as follows:

Job Title	Name	Actual No. of Attendance times (B)	Proxy attendance times	Actual Attendance rate (%) (B/A)	Remarks
Chairperson	Yang Wenzai	2	0	100%	None
Committee	Ye Jinbao	2	0	100%	None
Committee	Zhuang Yuxin	2	0	100%	None

Salary & Compensation Committee	Proposal content and Follow-up	Resolution results	Company's Handling of the Salary & Compensation Committee's Opinions
4th Session, No. 6th 2022.05.12	Review of the remuneration of the Company's managerial officers and above.	Approved by all the attending committee members without objection and sent to the Board of directors for review.	Passed by the 14th Board of directors in the 32nd Session, it has been implemented in accordance with the resolution, and has been reported to the competent authority

			within the prescribed time limit.
4th Session, No. 7th 2022.08. 11	Review the remuneration of the Company's managerial officers and above and the distribution of employee bonuses for the year 2021.	Approved by all the attending committee members without objection, and sent to the Board of directors for review.	Passed by the 15th Board of directors in the 32nd Session, it has been implemented in accordance with the resolution, and has been reported to the competent authority within the prescribed time limit.

Other matters to be recorded:

- 1) If the Board of directors does not adopt or amend the recommendations of the Compensation Committee, it shall state Board of directors date, term, Proposal Content, Board of directors' resolution results and the company's handling of the opinions of the remuneration committee (If the salary remuneration approved by the Board of directors is better than that suggested by the Salary & compensation committee, the difference and reasons should be stated):None.
- 2) For resolutions of the Salary & compensation committee, if members have objections or reservations and there are records or written statements, they should be stated the Salary & compensation committee date, term, Proposal content, All members' opinions and the methods of handling: None.

(V) The situation and reasons for the implementation of promotion of sustainable development and the differences with the code of practice for sustainable development of listed OTC companies:

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
[1]. Has the company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, and the board of directors authorizes the senior management to handle it, and the board of directors' supervision?	yes		The company's governance structure for promoting sustainable development is led by the general manager as the convenor, the management department as a part-time unit for promoting sustainable development, and the implementation unit is composed of each department assessing its opportunities and risks and formulating feasible goals for implementation. To achieve the goal of sustainable development, we hold regular and irregular meetings to discuss risk assessments on environmental governance, social responsibility and corporate governance issues, and regularly report the implementation status to senior management. The content of the report should include annual implementation status, performance discussions and future work plan.	None
[2]. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and formulate relevant risk management policies	yes		Based on the principle of materiality, the company conducts risk assessments on social, environmental and corporate governance issues related to the company's operations, and formulates relevant risk management policies, which can be dealt with in a	None

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
or strategies?			unified manner and quickly take necessary preventive measures to strengthen the response of the corporate body ability to maintain the sustainable operation of the company. <u>Environmental issues:</u> 1.Since the company stopped the production process of rotary kiln clinker, it has significantly reduced greenhouse gas emissions (carbon emissions) by more than 95%. 2.In order to comply with government policies, the company plans to gradually cease the cement production operations of the Kaohsiung plant starting from the fourth quarter of 2023, relocate and rent two cement round warehouse storage tanks at Kaohsiung Port Pier 45, and transform it into a warehousing and sales operation. Therefore, it will Will further reduce power usage. 3.In recent years, our company has been committed to the goals of using green energy, recycling, recycling, energy conservation and carbon reduction. In 2021, the investment and construction of 640KW solar photovoltaic panels will be completed; the old energy-consuming equipment will	

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			be gradually replaced with new energy-saving and low-consumption equipment, the lights will be turned off and the energy-saving lighting fixtures will be replaced, and the electricity consumption will be reduced by at least 1% every year; the cooling water of the equipment will be recycled, and the factory area Wastewater recycling is used for sweeping roads in the factory, and sensor faucets are replaced to save water; second-hand paper recycling is encouraged, household waste classification is encouraged to reduce the total amount of waste, etc., monitoring, control, review and correction at any time have achieved remarkable results. <u>Social issues:</u> 1. Staff: (1) All employees employed comply with the provisions of the "Act on the Protection of the Rights and Interests of Persons with Disabilities" and the "Act on the Protection of the Rights of Aboriginal Peoples to Work". (2) In the recruitment and appointment of employees, there is no discrimination and differential treatment due to personal factors; at the same time, the employment of child labor	

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			under the age of 16 is prohibited. (3)Pay attention to human resources and training, and plan relevant training courses every year according to the employees' duties and actual needs. (4)Set up an occupational safety committee to conduct regular health checks. (5)Establish a self-improvement association for employees, and hold various employee welfare activities on a regular basis. 2.Supplier: Strengthen supply chain management and implement long-term cooperative relationships with suppliers. At the same time, through supplier evaluation, select the supplier that best meets the company's sustainable development goals. 3.Client: (1)Through two methods of questionnaire survey and actual visit, to collect and understand the real response of customers and serve as the company's improvement direction. (2)The overall customer satisfaction achieved in 2022 is higher than that in 2021. The company will continue to improve and enhance the quality of service to customers through the information obtained over the years.	

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			4. Working environment: (1) In order to identify and evaluate various types of hazards that may be caused by the work site and personnel's work activities, the "Southeast Cement Company Safety and Health Hazard Identification and Risk Assessment Procedure Book" is specially formulated to continuously manage and control risks and minimize risks. (2) At the same time, all employees are required to receive education and training related to occupational safety in order to reduce the risk of human negligence. 5. Community Programs: (1) Established the "Chen Zhaoshu Charity Foundation" and "Chen Jiangzhang Culture and Education Foundation" to hold various public welfare activities. (2) Formed a cross-sea medical team with Kaohsiung Veterans General Hospital to promote cross-sea medical team to Penghu. (3) Regularly organize public welfare activities such as blood donation activities, year-end care, outlying island rural primary school assistance, and continue to hold good-neighborly activities with	

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			the neighboring communities of the Kaohsiung plant, in order to fulfill social responsibilities and coexist with the community. <u>Corporate governance issues:</u> 1.The company's website discloses the company's financial business and corporate governance related information for the reference of shareholders and stakeholders; there are also internal and external reporting channels, and the files provided by the informant are encrypted and protected. 2.While maintaining normal business development and maximizing shareholders' interests, the company also pays attention to issues such as customer rights and community welfare, and attaches great importance to corporate social responsibility. 3.The highest corporate governance unit of the company is the board of directors. The board of directors consists of 10 directors (including 3 independent directors). A sound and efficient board of directors is the foundation of excellent corporate governance. The board of directors also pays great attention to the overall	

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			operation of the company and implements corporate governance policies. 4.Master the revision of laws and regulations, and follow the laws and regulations.	
[3]. Environmental issues (1) Has the company established a suitable environmental management system according to its industrial characteristics?	yes		(1) The company's environmental management system is complete, it has passed and obtained ISO 9001, plans to resume ISO 14001 international certification, and formulates operating standards. Measures such as increasing the utilization rate of recycled raw materials according to the monthly production plan reduce the consumption of raw materials and energy, thereby reducing the impact on the natural environment.	None
(2) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	yes		(2) The company's main energy comes from electricity and heavy oil. In order to improve the efficiency of energy use and minimize the impact on the environment, various energy-saving measures are continuously implemented, including updating old equipment, selecting products with energy-saving designs, and installing solar power generation systems, etc. The company is actively	None

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
(3) Does the company assess the current and future potential risks and opportunities of climate change, and take relevant countermeasures?	yes		researching the full utilization of energy, such as waste water recycling, process addition of resource recycling and reuse of raw materials to reduce carbon emissions and replacement of materials for reuse. In 2022, 200 liters of lubricating oil will be recycled and the proportion of recycled raw materials will be 5.21%, in order to achieve the concept of "sustainable earth, energy saving and carbon reduction". (3)The Company is managed by the ESG Management Team to support the Company in implementing climate change and the effective management of climate risk and opportunity governance in company's operations and asset management. The company refers to the "Climate-related Financial Disclosure Recommendations Report (TCFD)" issued by the International Financial Stability Board to assess and manage climate change-related risks and opportunities. The climate risk assessment was completed in the end of 2020. In the face of environmental regulations and the increase in the severity of extreme weather events, production	None

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies												
	Yes	No	Summary Description													
(4) Has the company collected statistics on greenhouse gas emissions, water consumption and total waste weight in the past two years, and formulated policies for greenhouse gas reduction, water reduction or other waste management?	yes		capacity may decrease and operating costs will increase. In order to reduce the risk factor, the company's measures are to install a solar power generation system to meet the legal requirements and increase the frequency of drainage pipe dredging to reduce the company's losses. The detailed description of the company's climate change risk and opportunity analysis has been disclosed in the company's sustainability report. (http://www.southeastcement.com.tw/index.php?q=csr) (4) 1. Greenhouse gas emissions in the past two years: Unit: metric ton <table><tr><th>Year</th><th>2021</th><th>2022</th></tr><tr><td>Type 1</td><td>2,738</td><td>2,570</td></tr><tr><td>Type 2</td><td>20,881</td><td>17,073</td></tr><tr><td>Unit product emission CO2e/Ton)</td><td>0.034</td><td>0.033</td></tr></table> Since the production process of our M01 cement plant was shut down in 2017, all the products produced in the plant are directly ground from purchased clinker and water-quenched furnace slag, and the greenhouse gas emissions	Year	2021	2022	Type 1	2,738	2,570	Type 2	20,881	17,073	Unit product emission CO2e/Ton)	0.034	0.033	None
Year	2021	2022														
Type 1	2,738	2,570														
Type 2	20,881	17,073														
Unit product emission CO2e/Ton)	0.034	0.033														

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies															
	Yes	No	Summary Description																
			have been greatly reduced by more than 90%. And from 2020 onwards, re-inspection declaration will be exempted. 2. Water consumption in the last two years: Unit: degree <table><tr><th>Year</th><th>2021</th><th>2022</th></tr><tr><td>water consumption</td><td>17,600</td><td>13,062</td></tr><tr><td>Unit water intensity (Water consumption/production tons)</td><td>0.0254</td><td>0.0219</td></tr></table> The water used in this plant is mainly for perimeter watering and cooling of cement grinding system equipment, and the cooling water is recycled and reused. The water quality is tested and reported every 6 months based on the Water Pollution Control Law and has been in compliance with the regulations over the years. 3. Weight of waste in the last two years: Unit: metric ton <table><tr><th>Year</th><th>2021</th><th>2022</th></tr><tr><td>Waste</td><td>84.79</td><td>51.14</td></tr></table> The company actively promotes the reuse of recycled waste, reduces the cost of waste treatment, and implements waste	Year	2021	2022	water consumption	17,600	13,062	Unit water intensity (Water consumption/production tons)	0.0254	0.0219	Year	2021	2022	Waste	84.79	51.14	
Year	2021	2022																	
water consumption	17,600	13,062																	
Unit water intensity (Water consumption/production tons)	0.0254	0.0219																	
Year	2021	2022																	
Waste	84.79	51.14																	

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			resource recycling, such as adding recycled desulfurized gypsum to the process to reduce the proportion of clinker used.	
[4]. Social issues				
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	yes		(1) The company strictly abides by the labor-related laws and regulations of the country, protects the legitimate rights and interests of employees, and abides by the "United Global Covenant" and "United Nations Universal Declaration of Human Rights and the "Declaration on Basic Principles and Rights at Work of the International Labor Organization" and the spirit and basic principles of human rights protection in various international human rights conventions, and the "Southeast Cement Co., Ltd. Human Rights Policy" fully reflects the responsibility to respect and protect human rights, treat all paid colleagues with dignity and respect.	None
(2) Does the company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and properly reflect	yes		(2) <u>Employee welfare measures</u> 1. We have set up an employee welfare committee to handle all kinds of welfare services, and each year the company	None

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
business performance or results in employee compensation?			allocates more than two million dollars for welfare. Such as End-year dinners, birthday gift coupons, Labor Day gifts, 3-festivals gift coupons, etc., with excellent performance. 2. We have established the Employee Empowerment Association to provide direct benefits to employees, such as wedding and funeral gifts to employees and their immediate family members, emergency relief, hospitalization, interest-free loans, accommodation, group insurance, free health checkups, group travel subsidies, care for retirees, etc., so that employees do not have to worry about anything. 3. Self-organized employee training committees, handling labor education, instilling new knowledge, and cultivating corporate ethics to improve technical standards and professional ethics. 4. In terms of the vacation system, if he continue to work for a certain period of time, special vacation days will be given in accordance with Article 38 of the Labor Standards Act. He can also apply for leave without pay to balance	

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
(3) Does the company	yes		personal and family care needs. 5. Workplace diversity and equal access to employees with physical and mental disabilities and foreign workers, respecting their cultural customs and traditions, ensure that employees are not discriminated against and achieve fair treatment. To achieve equal pay for equal work and equal promotion opportunities for men and women and promote sustainable and inclusive economic growth. In 2022, the average proportion of disabled employees is 3%, and the average proportion of foreign migrant workers is 17%; the average proportion of female employees is 12%, and the average proportion of female supervisors is 25%. <u>Operating Performance Reflected in Employee Compensation</u> The company distributes employee remuneration according to the annual profit status, and stipulates not lower than 2% of the annual profit as employee remuneration in accordance with Article 37 of the company's Articles of Association.	None

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies								
	Yes	No	Summary Description									
provide employees with a safe and healthy working environment, and regularly implement safety and health education for employees?			safety and health business supervisor, and a full complement of labor safety and health management staff according to the number of employees in the factory. The company regularly holds quarterly meetings with the labor safety and health management committee of the whole factory to jointly discuss, deliberate, coordinate and recommend matters related to the promotion of occupational safety and health management, and to help supervise and recommend occupational health and safety-related planning,in order to protect the workers from the hazards of harmful substances in the workplace and to provide a healthy and comfortable working environment. Every year, we perform 2 fire drills and work environment hazard monitoring to understand the exposure of workers. <table><tr><th colspan="2">Year 2022</th></tr><tr><th>Name of training project</th><th>Number of trainees</th></tr><tr><td>Fire Drill</td><td>77</td></tr><tr><td>Full Staff Training</td><td>77</td></tr></table> Disabling injury frequency	Year 2022		Name of training project	Number of trainees	Fire Drill	77	Full Staff Training	77	
Year 2022												
Name of training project	Number of trainees											
Fire Drill	77											
Full Staff Training	77											

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
(4) Has the company build up an effective career development training program for employees?	yes		rate in 2022 is 7.65, and there is one occupational accident with one person (0.96% of the total number of employees at end of 2022). After reviewing and improving the measures, our company has strengthened employee safety and health education and training, and implemented the standard procedures of safety operation, and installed safety locks on equipment and posted signs to ensure the safety of employees during work. (4) The Company conducts educational training every year and sends employees to external training from time to time. The total number of external training hours in 2022 is about 79hours for all levels of supervisors and 279 hours for general employees, totaling about 358 hours.	None
(5) For issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the company follow relevant laws and international standards, and formulate relevant consumer or customer rights protection policies and complaint procedures?	yes		(5) The company's operations have always followed government regulations and relevant industry norms. The Portland cement produced complies with the national standard CNS-61R2001 and has obtained the orthographic mark certificate for more than 50 years, and the product	None

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
(6) Does the company formulate supplier management policies, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?	yes		labels are handled in accordance with national regulations. "Strengthening customer service, stabilizing quality standards, and protecting customer rights, health and safety" is the company's consistent policy. Customers have any suggestions or complaints about the company or products, can directly contact the business department for feedback or express it in the "Customer Satisfaction Survey Form". Once a customer complaint is received, a dedicated person will follow the ISO procedure and give the customer a quick and complete answer. All procedures will comply with the Personal Data Protection Act. (6) The company implements the establishment of long-term cooperative relations with suppliers and signs contracts to ensure the stability of the supply chain and obtain better sources of raw materials, thereby increasing the company's competitiveness; In addition, an integrated system has been established to consider	None

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			factors such as "price", "quality" and "delivery date" through supplier evaluation, and there is a part to evaluate the sustainability of suppliers, whether they comply with laws and regulations, environmental protection, etc. Select the most suitable domestic suppliers to strengthen supply chain management and contribute to sustainable development. The company has established supplier evaluation and screening specifications, and performs annual evaluation every year according to the supplier category. If the evaluation result is "Unqualified", the transaction will be stopped immediately and improvement within a time limit is required. Labor (contracting and service) suppliers send personnel to work in the factory area to urge third-party manufacturers to strengthen the working conditions of their employees. Employees must be insured for labor insurance, health insurance and employer accident liability insurance in accordance with government laws and	

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			regulations, and abide by various safety and health work rules stipulated by the factory. A total of 36 suppliers will be evaluated and audited in 2023. According to the four categories of suppliers: engineering, raw materials, instruments and services, whether the delivery date meets expectations and whether the quality meets the law Whether the regulations and working conditions are correct, etc., the evaluation results show that they are good, and there are no unqualified manufacturers.	
[5]. Does the company refer to internationally accepted standards or guidelines for preparing reports, and compile reports such as sustainability reports that disclose the company's non-financial information? Has the previous disclosure report obtained the confirmation or guarantee opinion of a third-party verification unit?	yes		We compiled our sustainability report with reference to the GRI Sustainability Reporting Guidelines: Version 2021, issued by the Global Sustainability Reporting Institute, the Sustainability Disclosure Indicators of the FSC, and the Mining and Metals Sector Supplemental Indicators, as well as climate related financial disclosure and sustainability accounting standards , and publish it on the company's official website (http://www.southeastcement.com.tw). Set up a "Sustainable development" area; and disclose the sustainability report in the Market Observation Post System	None

Evaluation Items	Operating Situation			Situation and reasons for difference from Code of Practice for Sustainable Development of Listed and OTC companies
	Yes	No	Summary Description	
			(MOPS) according to regulations. At present, no confirmation or guarantee opinion from a third-party verification unit has been obtained.	
[6]. If the company has its own code of sustainable development based on the "Code of Practice for Sustainable Development for Listed OTC Companies", please describe the differences between its operation and the code: None				
[7]. Other important information that helps to understand the implementation of sustainable development: ➤ In response to the important environmental protection policy of "circular economy", the company jointly invested with Gaoliang Company, a professional environmental protection cleaning company, to establish Southeast Gaoliang Resource Recycling Co., Ltd. to produce Controlled Low Strength Material (CLSM) in the Renwu plant. Harmless industrial wastes are recovered and treated as CLSM aggregates, formally stepping into the circular economy industry of resource reuse. A new Dafa factory is built in Dafa Industrial Zone, Kaohsiung. It is expected to complete the construction and trial operation in the fourth quarter of 2023. In the future, Dafa Plant will receive general industrial waste, and after producing concrete recycled aggregate products, it will be handed over to Renwu Plant to make CLSM and other cement products to achieve effective reuse of resources. ➤ Purchasing recycled raw materials produced by iron and steel plants in blast furnace smelting pig iron - water-quenched blast furnace slag, mixed with cement to make Portland blast furnace cement, every 1 ton of water-quenched blast furnace slag powder is mixed with cement to make blast furnace cement, can also reduce about 0.95 tons of CO² emissions. ➤ In 2022, three improvement projects will be implemented, including the renewal of cement mill balls and the refurbishment of the middle compartment of the furnace stone mill, which will reduce electricity consumption by 1,321,379 kWh in total.				

(VI) Fulfillment of Good Faith Management Situation and Differences with the Good Faith Management Code of listed OTC companies and reasons:

Evaluation Items	Operating Situation			Differences with the Good Faith Management Code of listed OTC companies and reasons
	Yes	No	Summary Description	
[1]. Establish Good faith management policy and plan (1) Has the company formulated a Good faith management policy approved by the board of directors, and clearly stated the Good faith management policy and practices in the regulations and external documents, so as to actively implement the commitment of the board of directors and senior management to implement the business policy?	yes		(1) 1. The company in "Good Faith Management Code", "Code of Ethical Conduct", "Employee Code of Ethical Conduct", "Employee Grievance Handling Method" and other regulations all have rules on preventing dishonesty. 2. After the audit puts forward improvement suggestions and submits them for review, they will continue to track and improve. Each audit item will be completed in a timely manner and the improvement measures will be reported to the board of directors and independent directors for review in accordance with regulations; this is an important mechanism for the board of directors to supervise the implementation of the Good faith management policy.	None
(2) Has the company established a mechanism to assess the risk of dishonest acts, and regularly analyze and evaluate the business activities with a higher risk of dishonest acts within the scope of business, and establish a plan to prevent dishonest acts based on the plan, and based on this, formulate a plan to prevent dishonesty, and at least cover the preventive measures for the acts in Item	yes		(2) The company has "Code of Ethical Conduct", "Employee Code of Ethical Conduct", "Employee Grievance Handling Method"... and other methods. The audit office regularly checks the compliance.	None

Evaluation Items	Operating Situation			Differences with the Good Faith Management Code of listed OTC companies and reasons
	Yes	No	Summary Description	
2, Article 7 of the "Good Faith Management Code for Listed OTC Companies"?				
(3) Does the company clearly define the operating procedures, behavior guidelines, punishment and complaint system for violations in the plan for preventing dishonesty, and implement it, and regularly review and revise the previous disclosure plan?	yes		(3) The company has established "Good Faith Management Code" and "Employee Grievance Handling Method", which is based on the business philosophy of integrity, transparency and responsibility, and formulates business policies based on integrity, and establish a good corporate governance and risk control mechanism to create a sustainable business environment.	None
[2]. Implement good faith management (1) Does the company evaluate the good faith records of its counterparties, and specify the terms of good faith behavior in the contracts it signs with its counterparties?	yes		(1) When transaction and purchasing, confirm the authenticity of the company through the website of the Department of Commerce of the Ministry of Economic Affairs, and check the actual transaction performance of the manufacturer through various channels (such as credit investigation) to confirm the commercial integrity of the counterparty. The company reports the current situation of each customer and supplier in the business and operation management meeting. If the transaction	None

Evaluation Items	Operating Situation			Differences with the Good Faith Management Code of listed OTC companies and reasons
	Yes	No	Summary Description	
			partner is found to be involved in dishonest behavior, it will immediately and strictly control the conduct of credit transactions to understand the current situation of the company's exposure to risks, and will carefully evaluate whether to terminate the transaction with the customer.	
(2) Has the company set up a special unit for promoting corporate integrity management under the board of directors, and regularly (at least once a year) report to the board of directors its Good faith management policy and dishonest behavior prevention plan and supervision implementation?	yes		(2) In order to improve the management of integrity management, each unit within the company is responsible for the handling of the following matters, which are implemented by audit supervision and regularly reported to the board of directors: 1. Management Dept.: (1-) Divide the internal organization, establishment, and responsibilities. For business activities with a relatively high risk of dishonest conduct within the business scope, a mutual supervision and checks and balances mechanism shall be arranged. (2-) Promotion and coordination of good faith policy promotion. 2. General Manager's Office: (1-) Assist in integrating integrity and ethical values into the company's	None

Evaluation Items	Operating Situation			Differences with the Good Faith Management Code of listed OTC companies and reasons
	Yes	No	Summary Description	
			operating principles. (2-) Cooperate with laws and regulations to formulate integrity management operating procedures and behavior guidelines. (3-) Formulate and maintain relevant company internal regulations, such as Code of Ethical Conduct, Employee Code of Ethical Conduct.	
(3) Does the company formulate policies to prevent conflicts of interest, provide suitable channels for presentation, and implement them?	yes		(3) The company has formulated "Code of Ethical Conduct", "Employee Code of Ethical Conduct", and "Employee Grievance Handling Method" to prevent conflicts of interest policies, provide appropriate presentation channels, and implement them. In addition, the Company's Rules of Procedure for Board of Directors Meetings stipulate that directors or other legal persons representing the Company shall state the materiality of their interests at the meeting of the Board of Directors and shall not join in the discussion and vote on the following matters. When discussing and voting, he shall be withdrawn and shall not exercise his voting rights on behalf of other directors.	None
(4) Whether the company has established an effective accounting system and internal control system in	yes		(4) The company has a rigorous accounting system and an independent dedicated audit unit, which regularly	None

Evaluation Items	Operating Situation			Differences with the Good Faith Management Code of listed OTC companies and reasons
	Yes	No	Summary Description	
order to implement integrity management, And the internal audit unit prepares relevant audit plans based on the evaluation results of dishonesty risks, and checks the compliance with the plan to prevent dishonesty, or entrusts accountants to carry out the audit? (5) Does the company hold regular internal and external education and training on integrity management?	yes		conducts various internal audits in accordance with the annual audit plan. All final statements are checked by Certified public accountants to ensure the fairness of each final account. (5) The company organizes educational training every year and sends employees to participate in external training from time to time, including courses on integrity management.	None
[3]. Operation of the company whistle-blowing system (1) Does the company have a specific whistle-blowing and reward system, and has it established a convenient whistle-blowing channel and assigned appropriate staff to receive reports on the subject? (2) Does the company have standard operating procedures for the investigation of whistle-blowing matters, and what are the follow-up measures to be taken after the completion of the investigation and the related confidentiality mechanism?	yes		(1) In the "Employee Grievance Handling Method", the whistle-blowing and reward system is established, and a convenient whistle-blowing channel is established, and appropriate specialists are assigned to the accused. (2) Article 4 of the Company's "Employee Grievance Handling Method" stipulates that employees may send their own confidential files or designated e-mail addresses to the grievance handling unit. The grievance handling unit shall centrally store the information in a confidential file after the investigation of the case.	None None

Evaluation Items	Operating Situation			Differences with the Good Faith Management Code of listed OTC companies and reasons
	Yes	No	Summary Description	
(3) Does the company take measures to protect whistleblowers from improper treatment as a result of whistleblowing?	yes		(3) Article 5 of the Company's "Employee Grievance Handling Method" stipulates that grievance handling personnel and related parties shall investigate and report grievances in a fair and impartial spirit and shall not retaliate against the grievant. In the event of a violation, the complaint shall be sent to the Human Resources Evaluation Council for action in accordance with the Company's relevant working rules.	None
[4]. Enhance information disclosure (1) Does the company disclose the content and effectiveness of promoting the Good Faith Management Code on its website and public information observatory?	Yes		(1) The company Website: www.southeastcement.com.tw posted the "Corporate Governance" section of the "Investor Zone", and the Market Observation Post System (MOPS), which discloses information about the company's integrity management, including "Code of Ethical Conduct" and "Good Faith Management Code" "Corporate Governance" etc.; In order to improve the management of integrity management, the company is responsible for the management by various internal units, and it is implemented by audit supervision and reports the results to the Board of	None

Evaluation Items	Operating Situation			Differences with the Good Faith Management Code of listed OTC companies and reasons
	Yes	No	Summary Description	
			Directors on a regular basis.	
[5]. If the company has its own Good Faith Management Code based on the "Code of Good Faith for Listed and OTC Companies", please describe the difference between its operation and the code: The company has a Good Faith Management Code, which is implemented by the legal office. At present, everything is implemented according to the code, and there is no difference.				
[6]. Other important information to help understand the operation of the company's Good Faith Management:				
(1) The company in Company profile, Annual report, Sustainability report and other external documents clearly declare the concept of Good Faith Management.				
(2) The company reviews and amends from time to time or formulates the relevant specifications of the Good Faith Management Code to meet actual operational needs.				

(7) The company stipulates Corporate Governance Code and Related regulations with inquiry mode:

1. The company stipulates Corporate Governance Code.

2. Related regulations:

(1-) Rules of Procedure for Shareholders' Meeting.(2-) Board of Directors Meeting Regulations.(3-) Director Election Method.(4-) Rules for Independent Directors' Scope of Responsibilities.(5-) Organizational Regulations of the Remuneration Committee.(6-) Code of Ethical Conduct.(7-) Employee Code of Ethical Conduct.(8-) Audit Committee Organization Regulations.(9-) Good Faith Management Code.(10-) Code of Practice on Corporate Social Responsibility.(11-)Corporate Governance Code.(12-) Internal major information process and insider trading prevention procedures. (13-) Regulations for Operations Related to Financial Business between Related Associates

3. Inquiry mode:

(1-) Public Information Observation Post System:

The "Corporate Governance Regulations" under the "Corporate Governance Zone" are available for download.

(2-) The company's corporate Website

(<http://www.southeastcement.com.tw/rule.htm>):

The "Corporate Governance Regulations" under "Corporate Governance" under "Investor Relations" are available for download.

(8) Other important information sufficient to enhance the understanding of the operation of corporate governance:

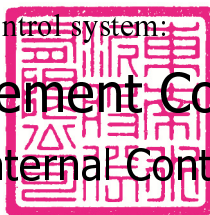
Managers' participation in advanced studies related to corporate governance:

Job Title	Nmae	Time	Course Title	Hours
Vice G.M. of Finance Dept.	Huang Xinhan	2022.08.18~ 2022.08.19	Continuing Education Course for Accounting Supervisors of Issuers and Securities Firms	12
Audit Office, Supervisor	Wang Guanxun	2022.04.07	How to use digital technology to explore and improve operating procedures and fraud detection--Discussion on audit practice	6
Audit Office, Supervisor	Wang Guanxun	2022.06.27	The focus of operating system audits and the integration of cross-cycles and operations	6

(9) Implementation status of internal control system:

Southeast Cement Corp., Ltd.

Statement of Internal Control System



Date: March 14, 2023

The company's internal control system for 2022, based on the results of self-assessment, hereby declares as follows:

- 1) The company knows that it is the responsibility of the board of directors and managers of the company to establish, implement and maintain an internal control system, and the company has already established such a system. Its purpose is to achieve the goals of operating effectiveness and efficiency (including profit, performance, and asset security, etc.), report reliability, and immediacy, transparency, and compliance with relevant norms and compliance with relevant laws and regulations, and provide reasonable.
- 2) The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable guarantees for the achievement of the above three objectives; Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism and once deficiencies are identified, the Company will take corrective action.
- 3) The company judges whether the design and implementation of the internal control system are effective based on the items for judging the effectiveness of the internal control system stipulated in the "Guidelines for the establishment of internal control systems in Public companies" (hereinafter referred to as "Handling guidelines"). The internal control system judgment items adopted in the "Handling guidelines" are based on the process of management control, and the internal control system is divided into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervision operations. Each component includes several items. For the aforementioned items, please refer to the provisions of "Handling guidelines".
- 4) The company has adopted the above-mentioned internal control system to judge items and evaluate the effectiveness of the design and implementation of the internal control system.
- 5) Based on the evaluation results in the preceding paragraph, the company believes that the company's internal control system (including the supervision and management of subsidiaries) as of December 31, 2022, including understanding the effectiveness of operations and the extent to which efficiency goals are achieved, whether the reports are reliable, instant, transparent and in compliance with relevant norms and relevant laws and regulations, and the design and implementation of internal control systems are effective. It can reasonably ensure the achievement of the above objectives.

- 6) This statement will become the main content of the company's Annual report and Prospectus and will be made public. If there are false, concealment and other illegal matters in the above-mentioned disclosed content, it will involve the legal liability of Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- 7) This statement was approved by the company's board of directors on March 14, 2023. There were 10 directors present, and none of them held objections. They all agreed with the content of this statement and hereby declare.

Chairman: Chen Minduan

Signature

General Manager: Chen Guanhua

Signature



(10) For the most recent year and up to the date of publication of the Annual Report, the Company and its internal personnel were punished according to law, the company's internal personnel violated internal control system regulations, major deficiencies and improvements: None

(11) For the most recent year and up to the date of publication of the Annual Report, the shareholders' meeting and Important Resolutions of the Board of Directors:

1. 2022 Annual general meeting resolutions' implementation review:

Meeting year	Meeting Date	Important Resolutions	Implementation and Review Situation
2022 Annual general meeting	2022.06.28	1) Approval of 2021 Financial Statements. 2) Approved 2021 surplus distribution proposal. 3) Passed amendments to the “Procedures for Acquisition or Disposal of Assets”. 4) Approval of amendments to some articles of the “Articles of Association”. 5) Passed amendment “Rules of Procedure for Shareholders' Meeting” part of the article’s text. 6) Passed amendment “Director Election Method” part of the article’s text.	1. Year 2021 surplus distribution plan has been fully distributed. 2. July 27, 2022 has been set as the ex-dividend base date, and August 10, 2022 will be the cash dividend distribution date.

2. Year 2022 and as of Apr. 30, 2023, Important Resolutions of the Board of Directors:

Time period	Meeting Date	Important Resolutions
Year 2022	2022.01.04	1). For the company's transformation needs, it is planned to bid for the case of "Kaohsiung Port No. 45 Cement Round Storage and Auxiliary Facilities (1)" from Kaohsiung Port Branch of Taiwan Port Affairs Co., Ltd.
	2022.03.15	1) The company 2021 Annual statement of internal control system 2) The company 2021 Annual employee remuneration and director remuneration case 3) The company 2021 Annual business report, individual financial report and consolidated financial report 4) The company 2021 Annual Surplus Distribution Proposal 5) 2022 Independent Accountant's Review of Certified Annual Financial Statements 6) Amendments to the "Procedures for Acquisition or Disposal of Assets" 7) Amendments to some articles of the "Articles of Association" 8) Proposed bidding sale of real estate located at No. 32, Daye South Road, Xiaogang District, Kaohsiung City, and machinery and equipment 9) Southeast Asset Development Co., Ltd., a 100% subsidiary of the company, plans to issue 50 million new shares at NT\$10 per share, total: NT\$500 million 10) The company and Mr. Chen Pinteng (the project company under Dale) proposed to form a new project company with a capital of NT\$100 million, and the company accounted for 51%. Participated in the development project of Land No. 3, Section 4, Economic and Trade Section, Qianzhen District, Kaohsiung City (formerly Chenggong Factory) 11) Proposed matters related to year 2022 Annual general meeting 12) Matters related to the acceptance of shareholder proposals for 2022 Annual general meeting 13) Proposal to apply for a quota to a financial institution 14) General Manager Wu Changzhi asked to resign 15) Proposal to Hire Vice Chairman Chen Guanhua as General Manager
	2022.05.12	1) The company's consolidated financial report for the 1st quarter of 2022 2) Amend "Director Election Method" part of the

Time period	Meeting Date	Important Resolutions
		article's text 3) Amend "Shareholders' Meeting Procedures" part of the article's text 4) Amend "Code of Practice on Corporate Governance" part of the article's text 5) Amend "Code of Practice on Corporate Social Responsibility" name and part of the article's text 6) The company and Mr. Chen Pinteng (a project company under Dale) jointly formed a new project company investment Letter of Intent to supplement the agreement 7) Proposal to lease land No. 3, Section 4, Economic and Trade Section, Qianzhen District, Kaohsiung City to Southeast Miller International Co., Ltd., a 51%-owned subsidiary of the Company 8) Correction of 2022 Annual general meeting agenda 9) Proposal to Promote Mr. Lin Junjie as Vice General Manager of the Management Department 10) Salary & Compensation Committee Proposal
	2022.08.11	1) The company's consolidated financial report for the 2nd quarter of 2022 2) The company's subsidiary Southeast Gaoliang Resources Recycling Co., Ltd. (hereinafter referred to as Southeast Gaoliang) intends to lease the company's land number 6550-1 and 6551 in Chaozhouliao 3rd Subsection, Chikan Section, Daliao District, Kaohsiung City. 3) Draft Settlement Agreement with Jiongde Construction Co., Ltd. for Industrial safety incident on April 1, 2022 4) Proposed application to Kaohsiung Bank for credit line increase from NT\$270 million to NT\$500 million 5) Plan to continue applying for a credit line of NT\$1.23 billion from the Bank of Taiwan 6) Plan to continue applying for a credit line of NT\$80 million from Yuanta Bank 7) Salary & Compensation Committee Proposal 8) The original resolution on the auction of real estate and machinery and equipment at No. 32, Daye South Road, Xiaogang District, Kaohsiung City is planned to be changed to a sale at a price higher than NT\$990 million

Time period	Meeting Date	Important Resolutions
	2022.11.11	1) The company's consolidated financial report for the 3rd quarter of 2022 2) The company Year 2023 Internal Audit Operation Review Plan Declaration Form 3) Work out the company Risk Management Policies and Procedures Case 4) Revise the company "Internal major information process and insider trading prevention procedures" case 5) Proposed purchase of 100% equity of Dayang Construction Co., Ltd. for NT\$100 million
Before Apr. 30, 2023	2023.01.06	1) Year 2023 Production and Sales Budget 2) Proposal to apply for a credit line of NT\$100 million from Mega Bank 3) Proposal to apply for a credit line of NT\$500 million from Huanan Bank 4) Proposal for the Compensation Committee
	2023.03.14	1) The company 2022 Annual statement of internal control system 2) The company 2022 Annual employee remuneration and director remuneration case 3) The company 2022 Annual business report, individual financial report and consolidated financial report 4) The company 2022 Annual Surplus Distribution Proposal 5) 2023 Independent Accountant's Review of Certified Annual Financial Statements 6) Amend "Code of Practice on Corporate Governance" part of the article's text 7) Amend "Code of Practice for Sustainable Development" part of the article's text 8) Proposed the text of the article "Regulations for Operations Related to Financial Business between Related Associates" 9) Proposal to endorse and guarantee NT\$335,580,000 for Southeast Gaoliang Resources Recycling Co., Ltd., a subsidiary directly and indirectly holding 51% of the company's shares 10) Comprehensive re-election of directors 11) The case of lifting the non-competition restriction for

Time period	Meeting Date	Important Resolutions
		new directors 12) Proposed matters related to year 2023 Annual general meeting 13) Accept shareholder proposals for the 2023 Annual general meeting and matters related to the nomination of director candidates 14) General manager Chen Guanhua resigned from office 15) Plan to promote Wu Yanhuijun to Vice general manager of production and act as general manager 16) Proposal to promote Tang Rongzongjun's promotion to Vice general manager of the business department 17) Proposal to promote Huang Xinhanjun's promotion to Vice general manager of the finance department

- (12) In the most recent year and as of the date of publication of the annual report, directors have different opinions on important resolutions passed by the board of directors and there are records or written statements, the main contents of which are: None
- (13) In the most recent year and as of the publication date of the annual report, the resignation and dismissal of the company's chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor and R&D supervisor, etc.:

Summary of Resignation & Dismissal of Relevant Persons in Company

Apr. 30, 2023

Job Title	Name	On-duty Date	Dismissal Date	Reason for Resignation or Dismissal
President	Chen Guanhua	2022.03.25	2023.04.01	Resignation for personal reasons

V. Certified Public Accountant public fee information:

Amount unit: NT\$ thousand

Accounting Firm Name	Accountant Name	Accountant review period	Audit fee	Non-audit fee	Total	Remarks
Crowe Horwath United Certified Public Accountants	Cai Shuman Li Qinglin	2022.01.01~ 2022.12.31	1,580	① Business registration NT\$15,000 ② Transfer pricing settlement declaration 4-book certificate NT\$120,000 ③ Non-Executive Employee Salary Information Checklist NT\$15,000 ④ Stock price rationality evaluation opinion NT\$10,000 ⑤ Substantial investment tax credit correction declaration NT\$20,000 ⑥ IFRS9 counseling and consulting service public fee NT\$90,000	1,850	

VI. Change accountant information: None**VII. The company's Chairman, President, Managerial officer in charge of financial or accounting affairs, and those who have worked in the firm of the Certified Public Accountant or its affiliated companies in the last year: None**

VIII. In the most recent year and as of the date of publication of the annual report, director, managerial officer, and Shareholding ratio more than 10% of shareholders' equity transfer and pledge changes:

Job Title	Name	Year 2022		Current year ending on Apr. 30	
		Increase (decrease) No. of Shares held	Increase (decrease) No. of Pledged shares	Increase (decrease) No. of Shares held	Increase (decrease) No. of Pledged shares
Chairman	East Tree Investment Co., Ltd.	0	0	0	0
	Representative: Chen Minduan	0	0	0	0
Director	Chen Zhaoshu Charity Foundation	0	0	0	0
	Representative: Chen Guanhua	0	0	0	0
Director	East Tree Investment Co., Ltd.	0	0	0	0
	Representative: Chen Tianzhu	0	0	0	0
Director	Chen Zhaoshu Charity Foundation	0	0	0	0
	Representative: Wu Changzhi	0	0	0	0
Director	Likai Investment Co., Ltd.	(105,000)	0	0	0
	Representative: Zheng Lixiang	0	0	0	0
Director	Southeast Cultural Foundation	0	0	0	0
	Representative: Chen Jianhao	0	0	0	0
Director	Evergreen co., Ltd.	0	0	0	0
	Representative: Yang Zhaoxiong	0	0	0	0
Independent director	Yang Wenzai	0	0	0	0
Independent director	Ye Jinbao	0	0	0	0
Independent director	Zhuang Yuxin	0	0	0	0
Financial manager	Huang Xinhan	0	0	0	0

Equity Transfer Information

Name	Reason for equity transfer	Transaction date	Transaction counterparty	Relationship between transaction counterparty & Company, Director, Supervisor, Manager and Shareheld ratio over 10% of Shareholders	No. of share	Transaction price
None	None	None	None	None	None	None

Equity Pledge Information

Name	Reason for pledge change	Date of change	Transaction counterparty	Relationship between transaction counterparty & Company, Director, Supervisor, Manager and Share-held ratio over 10% of Shareholders	No. of share	Share-held ratio	Pledge ratio	Pledge (redemption) amount
None	None	None	None	None	None	None	None	None

IX. Shareholding ratio of the top 10 shareholders and their relationship with each other:

Name	Personal shares held		Shares held by spouse and minor children		Total shares held in others' name		Names and relationships of the top 10 shareholders who are related to each other or Spouses or relatives within biparental (Note)		Remarks
	No. of share	Shareheld ratio	No. of share	Shareheld ratio	No. of share	Shareheld ratio	Title (or Name)	Relation	
East Tree Investment Co., Ltd.	80,496,816	14.07	-	-	-	-	Taiwan Machinery Shipyard Co., Ltd. Baifu Investment Co., Ltd. Chen Zhaoshu Charity Foundation Chint Cement Plant Co., Ltd. Chen Yueling	Its Chairman and the chairman of East Tree Investment is the same person Its Chairman and the chairman of East Tree Investment is the same person Its Chairman and the chairman of East Tree Investment is the same person Its Chairman and the chairman of East Tree Investment is the same person It's with East Tree Investment is biparental	
Representative:Chen Minduan	2,985,000	0.52	13,003	-	-	-			
Taiwan Machinery Shipyard Co., Ltd.	49,292,761	8.62	-	-	-	-	East Tree Investment Co., Ltd. Baifu Investment Co., Ltd. Chen Yueling Chen Zhaoshu Charity Foundation Chint Cement Plant Co., Ltd.	Its Chairman and the chairman of Taiwan Machinery Shipyard is the same person Its Chairman and the chairman of Taiwan Machinery Shipyard is the same person It's with Taiwan Machinery Shipyard is biparental Its Chairman and the chairman of Taiwan Machinery Shipyard is the same person Its Chairman and the chairman of Taiwan Machinery Shipyard is the same person	
Representative: Chen Minduan	2,985,000	0.52	13,003	-	-	-			
Evergreen Co., Ltd.	40,070,010	7.01	-	-	-	-	Fukang Cultural and Educational Foundation Southeast Cultural Foundation	Its chairman is a director of Evergreen Co. Ltd. Its chairman is a director of Evergreen Co. Ltd.	
Representative: Yang Zhaoxiong	0	0.00	-	-	-	-			
Fukang Cultural and Educational Foundation	38,829,350	6.79					Southeast Cultural Foundation	Its Chairman and the chairman of Fukang Cultural and Educational Foundation is biparental	

Name	Personal shares held		Shares held by spouse and minor children		Total shares held in others' name		Names and relationships of the top 10 shareholders who are related to each other or Spouses or relatives within biparental (Note)		Remarks
	No. of share	Shareheld ratio	No. of share	Shareheld ratio	No. of share	Shareheld ratio	Title (or Name)	Relation	
Representative:Chen Jianhao	58,609	0.01							
Baifu Investment Co., Ltd.	36,008,148	6.30	-	-	-	-	East Tree Investment Co., Ltd. Taiwan Machinery Shipyard Co., Ltd. Chen Zhaoshu Charity Foundation Chint Cement Factory Co., Ltd. Chen Yueling	Its Chairman and the chairman of Baifu Investment is the same person Its Chairman and the chairman of Baifu Investment is the same person Its Chairman and the chairman of Baifu Investment is the same person Its Chairman and the chairman of Baifu Investment is the same person It's with Baifu Investment is biparental	
Representative: Chen Minduan	2,985,000	0.52	13,003	-	-	-			
Southeast Cultural Foundation	33,421,803	5.84	-	-	-	-	Fukang Cultural and Educational Foundation	Its Chairman and the chairman of Southeast Cultural Foundation is biparental	
Representative: Chen Siying	58,891	0.01	-	-	-	-			
Chen Yueling	26,343,760	4.61	-	-	-	-	Baifu Investment Co., Ltd. East Tree Investment Co., Ltd. Taiwan Machinery Shipyard Co., Ltd. Chen Zhaoshu Charity Foundation Chint Cement Factory Co., Ltd.	Its chairman and Chen Yueling are biparental Its chairman and Chen Yueling are biparental Its chairman and Chen Yueling are biparental Its chairman and Chen Yueling are biparental Its chairman and Chen Yueling are biparental	
Ying Chen Co., Ltd.	26,401,219	4.62	-	-	-	-	Fukang Cultural and Educational Foundation	Chairman is the corporate director representative of Wing Chen Co. Ltd.	
Representative: Yang Zhaoxiong	0	0.00	-	-	-	-			

Name	Personal shares held		Shares held by spouse and minor children		Total shares held in others' name		Names and relationships of the top 10 shareholders who are related to each other or Sspouses or relatives within biparental (Note)		Remarks
	No. of share	Shareheld ratio	No. of share	Shareheld ratio	No. of share	Shareheld ratio	Title (or Name)	Relation	
Chen Zhaoshu Charity Foundation	24,885,291	4.35	-	-	-	-	Baifu Investment Co., Ltd. East Tree Investment Co., Ltd. Taiwan Machinery Shipyard Co., Ltd. Chint Cement Factory Co., Ltd. Chen Yueling	Its Chairman and the chairman of Chen Zhaoshu Charity Foundation is the same person Its Chairman and the chairman of Chen Zhaoshu Charity Foundation is the same person Its Chairman and the chairman of Chen Zhaoshu Charity Foundation is the same person Its Chairman and the chairman of Chen Zhaoshu Charity Foundation is the same person It's with Chen Zhaoshu Charity Foundation is biparental	
Representative: Chen Minduan	2,985,000	0.52	13,003	-	-	-			
Chint Cement Factory Co., Ltd.	24,005,929	4.20	-	-	-	-	Baifu Investment Co., Ltd. East Tree Investment Co., Ltd. Taiwan Machinery Shipyard Co., Ltd. Chen Zhaoshu Charity Foundation Chen Yueling	Its Chairman and the chairman of Chint Cement Factory Co., Ltd. is the same person Its Chairman and the chairman of Chint Cement Factory Co., Ltd. is the same person Its Chairman and the chairman of Chint Cement Factory Co., Ltd. is the same person Its Chairman and the chairman of Chint Cement Factory Co., Ltd. is the same person It's with Chint Cement Factory Co., Ltd. is biparental	
Representative: Chen Minduan	2,985,000	0.52	13,003	-	-	-			

Note: The shareholders listed include both legal and natural persons, and the relationship between them should be disclosed in accordance with the Criteria for the preparation of the issuer's financial statements.

X. The number of shares held by the company, its directors, Managerial officer and enterprises directly or indirectly controlled by the company in the same reinvested enterprise:

Until Dec.31,2022

Unit: Share; %

Re-invest business (Note 1)	The company's investment		Director, manager and direct or indirect control of business investment		Comprehensive investment	
	No. of share	Shareheld ratio	No. of share	Shareheld ratio	No. of share	Share held ratio
Southeast Industrial Construction Co., Ltd.	35,706	31.01	38,235	33.21	73,941	64.22
Southeast Paper Manufacturing Co., Ltd.	4,971	49.71	159	1.59	5,130	51.30
Nanxia Wood Industry Co., Ltd.	887	27.55	0	0.00	887	27.55
Southeast Investment Co.,Ltd.	498,780	99.29	1,787	0.36	500,567	99.65
Southeast Gaoliang Resource Recycle Co. ,Ltd.	8,500,000	50.00	170,000	1.00	8,670,000	51.00
Dongni Construction Co. ,Ltd.	79,000,000	100.00	0	0.00	79,000,000	100.00
Taiwan Machinery Shipyard Co. ,Ltd.	25,611,169	31.01	1,928,044	2.34	27,539,213	33.35
Southeast Miller Int'l Co. ,Ltd.	5,000,000	50.00	100,000	1.00	5,100,000	51.00
Dayang Construction Co. ,Ltd.	9,000,000	100.00	0	0.00	9,000,000	100.00

Note 1: The Company uses the equity method of investment.

Four. Fundraising Situation

I. Capital and shares

(1) Source of Share Capital:

Unit: NT\$; Share

Year & Month	Issue Price	Approved share capital		Paid-in share capital		Remarks		
		No. of share	Amount	No. of share	Amount	Source of Share Capital	Using property outside cash to offset share capital	Other
85.09	10	343,882,000	3,438,820,000	343,882,000	3,438,820,000	Transfer of surplus to capital (Note 1)	None	None
86.09	10	800,000,000	8,000,000,000	495,464,300	4,954,643,000	Transfer of surplus to capital & Cash capital increase (Note 2)	None	None
87.07	10	800,000,000	8,000,000,000	545,010,730	5,450,107,300	Capital reserve transfer to capital increase (Note 3)	None	None
89.08	10	800,000,000	8,000,000,000	558,635,998	5,586,359,980	Transfer of surplus to capital (Note 4)	None	None
93.08	10	800,000,000	8,000,000,000	586,567,797	5,865,677,970	Transfer of surplus to capital (Note 5)	None	None
95.04	10	800,000,000	8,000,000,000	583,314,797	5,833,147,970	Cancellation of repurchased shares (Note 6)	None	None
95.06	10	800,000,000	8,000,000,000	576,000,797	5,760,007,970	Cancellation of repurchased shares (Note 7)	None	None
97.12	10	800,000,000	8,000,000,000	572,000,797	5,720,007,970	Cancellation of repurchased shares (Note 8)	None	None

Note 1: 85.6.13 (85) Tai Cai Zheng (1) No. 36904

Note 5: 93.7.7 Zheng Qi Yi Zi No. 0930129934

Note 2: 86.6.3 (86) Tai Cai Zheng (1) No. 41372

Note 6: 95.1.25 Jin Guan Zheng No. 0950103221

Note 3: 87.6.20 (87) Tai Cai Zheng (1) No. 53956

Note 7: 95.4.18 Jin Guan Zheng No. 0950113669

Note 4: 89.6.27 (89) Tai Cai Zheng (1) No. 55307

Note 8: 97.11.28 Jin Guan Zheng No. 0970064920

Shares type	Approved share capital			Remark
	Shares outstanding (Listed)	Unissued shares	Total	
Registered common share	572,000,797	227,999,203	800,000,000	

(2) Shareholder Structure:

Apr. 30, 2023

Shareholder Structure Quantity	Government agencies	Financial Institutions	Other Legal Entity	Individuals	Foreign institutions and foreigner	Total
No. of persons	0	0	47	7,425	36	7,508
Shares held	0	0	453,682,496	82,640,987	35,677,314	572,000,797
Shareheld ratio	0.00	0.00	79.32	14.45	6.23	100

Note: No Chinese shareholding.

(3) Dispersion of common stock ownership:

Par value NT\$10.0 per share

Apr. 30, 2023

Shareholding Grades		No. of shareholder	Shares held	Shareheld ratio
1	to 999	4,028	622,812	0.11
1,000	to 5,000	2,603	4,854,299	0.85
5,001	to 10,000	313	2,561,406	0.45
10,001	to 15,000	130	1,662,122	0.29
15,001	to 20,000	84	1,562,178	0.27
20,001	to 30,000	96	2,535,068	0.44
30,001	to 40,000	42	1,506,328	0.26
40,001	to 50,000	23	1,099,869	0.19
50,001	to 100,000	74	5,488,962	0.96
100,001	to 200,000	32	4,576,928	0.80
200,001	to 400,000	30	8,525,322	1.49
400,001	to 600,000	8	4,250,291	0.74
600,001	to 800,000	4	2,748,700	0.48
800,001	to 1,000,000	2	1,850,307	0.32
1,000,001	to 999,999,999	39	528,156,205	92.35
Total		7,508	572,000,797	100.00

(4) List of major shareholders:

Apr. 30, 2023

Major shareholders name	Shares held	Shareheld ratio
East Tree Investment 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 Educational Foundation	38,829,350	6.79%
Baifu Investment Co.,Ltd	36,008,148	6.30%
Southeast Cultural Foundation	33,421,803	5.84%
Ying Chen Co.,Ltd	26,401,219	4.62%
Chen Yueling	26,343,760	4.61%
Chen Zhaoshu Charity Foundation	24,885,291	4.35%
Chint Cement Works Co.,Ltd	24,005,929	4.20%

(5) Recent 2 years Stock price per share, Net value, Surplus and Dividend information:

Item		Year	Year 2021	Year 2022	Current year as of March 31, 2023
Stock price per share	Highest		23.60	22.85	17.95
	Lowest		14.40	16.70	17.55
	Average		17.96	18.94	17.76
Net value per share	Pre-allocation		15.08	15.09	Note 3
	Post-allocation		14.88	14.99	-
Surplus per share	Weighted average No. of shares		569,887,932	569,887,932	569,887,932
	Surplus per share		0.25	0.26	Note 3
Dividend per share	Cash dividend		0.2	0.1	-
	Gratuitous shares allotted	Surplus allotted shares	0	0	-
		Capital reserve allotment	0	0	-
	Accumulated unpaid dividend		0	0	-
Investment return analysis	price-earnings ratio		71.84	72.85	-
	Capital gain ratio		89.8	189.4	-
	Cash dividend yield ratio		1.11	0.53	-

Note :1. In 2022, the proposed dividend distribution is NT\$0.1 and has not yet been resolved by the shareholders' meeting.

2. The weighted average number of shares deducts the number of shares held by subsidiaries in the parent company.

3. As of the publication date of the annual report, the financial information for the Current year as of March 31, 2023 has not yet been audited by accountants.

(6) The Company's dividend policy and implementation status:

1. The Company's dividend policy:

If there is a surplus in the company's annual final accounts, it shall first pay taxes to make up for past losses, and add 10% to the statutory surplus reserve until the statutory surplus reserve reaches the total capital of the company, and after the special surplus reserve is withdrawn or reversed in accordance with the regulations of the competent authority, its balance will be adjusted with the accumulated undistributed surplus of the previous year and the undistributed surplus of the current year, and it will be regarded as distributable surplus. The board of directors drafts a profit distribution plan, and distributes shareholder dividends after the resolution of the shareholders' meeting.

The company's dividends shall be distributed in accordance with the proportions set forth in the preceding paragraph while considering the characteristics of business climate changes, considering the life cycle needs of each product or service for future funds and long-term financial planning, and maintaining a stable dividend. The principle of distributing shareholder dividends is to distribute cash dividends. However, if the company has capital needs such as capacity expansion, improvement of financial structure, and major investment plans, more than 50% will be stock dividends, and the rest will be cash dividends.

2. Situation of dividend distribution proposed at this shareholders' meeting:

(1-) At the beginning of 2022, the retained earnings are NT\$181,202,290 (the same below), plus the net profit after tax in 2022 is NT\$149,043,548, and the equity instrument measured at fair value through other comprehensive gains and losses is NT\$475,349., after the adjustment, the total distributable surplus is NT\$330,721,187, the statutory surplus reserve (NT\$14,951,890) is reserved, and the surplus of NT\$258,569,218 is not distributed. The balance of NT\$57,200,079 is planned to be fully distributed as common stock Cash dividend, with NT\$0.1 per share.

(2-) Passed the 18th Board of directors resolution of the 32nd Session of the company on March 14, 2023 and submitted to this (Year 2023) Annual general meeting for approval.

(7) The impact of this Gratuitous allocation of shares on the company's business performance, Surplus per share and shareholder return on investment:

Year			Year 2022 (estimate)
Item			
Initial stage Paid-in capital			5,720,007,970
Dividend allocation for the year	Cash dividend per share		0.1
	No. of allotted shares per share for capital increase from surplus		—
	No. of allotted shares per share for capital increase		—
Business performance changes	Operating profit		—
	Operating profit Increase (Decrease) over the same period last year		—
	Net profit after-tax		—
	Net profit after-tax Increase (Decrease) over the same period last year		—
	Surplus per share		—
	Surplus per share Increase (Decrease) over the same period last year		—
	Average annual return on investment (Average annual price-earnings ratio countdown)		—
Pro forma surplus per share and price-earnings ratio	If surplus transferred to capital increase, all funds will be allocated to Cash dividend	Pro forma surplus per share	—
		Pro forma average annual return on investment	—
	If capital reserve not transferred to capital increase	Pro forma surplus per share	—
		Pro forma average annual return on investment	—
	If the capital reserve is not handled and transfer the surplus to capital increase change to Cash dividend	Pro forma surplus per share	—
		Pro forma average annual return on investment	—

1. The company should explain the basic assumptions on which the estimates or prepared information are based

2. If Turn surplus into capital increase, change all to distribution cash dividend's Pro forma surplus per share = [Net profit after-tax- Assumed cash dividends to bear Interest expense * × (1 - Tax rate)] / [Total No. of shares issued at end of the year - Surplus allotted No. of shares**]

Assumed cash dividends to bear Interest expense* = No. of Turn surplus into capital increase × One-year general lending rate for Surplus allotted No. of shares** : No. of shares increased by Surplus allotted shares in the previous year

3. Annual average price-earnings ratio = Annual average stock price per share/ Annual financial statement for Surplus per share

(8) Employee and Director remuneration:

1. If the company makes profit in the annual settlement, not lower than 2% should be set aside for Employee remuneration, which will be distributed in stock or cash by the resolution of the Board of directors; The company can allocate more than 3% of the profit amount by the resolution of the Board of directors for Director remuneration. Employee remuneration and Director remuneration distribution proposals should be submitted to the shareholders' meeting report. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate Employee remuneration, and Director remuneration in proportion to the preceding paragraph.
2. The estimated basis of employee and Director remuneration amount estimated in the current period, the calculation basis of employee remuneration based on stock distribution and the accounting treatment when the actual distribution amount is different from the estimated amount: The company's employee and Director remuneration in 2022 is estimated in accordance with the Articles of Association regulations. If there is a difference between the actual distribution and the number, it will be regarded as a change in accounting estimates and included in the 2023 profit and loss.
3. The proposed distribution of employee remuneration and other information approved by the Board of directors: the 2022 annual surplus will be distributed in accordance with the provisions of this Articles of Association.
 - (1) Allot NT\$4,796,661 for Employee remuneration and NT\$4,796,661 for Director remuneration.
There is no difference between the above-mentioned proposed distribution amount, Employee remuneration and Director remuneration and the estimated amount in the 2022 account, but if there is a discrepancy between the actual distribution amount and the resolution of the Board of directors, it is regarded as a change in accounting estimates and included in profit or loss for 2023.
 - (2) The amount of employee remuneration distributed by stock and the proportion of the total after-tax net profit and employee remuneration in individual or individual financial reports of the current period: Not applicable.

- (3) Consider proposed allotment of Employee remuneration and Director remuneration, then proposed calculation for Surplus per share: NT\$ 0.26.

4. The actual distribution of Employee remuneration and Director remuneration in the previous year:

Unit: NT\$

Allocated Items Allocation situation	Employee remuneration	Director remuneration
Board of Directors Proposed Allotment	3,262,943	4,894,413
Actual distribution	3,262,943	4,894,413

- (9) The Company's repurchase of the Company's shares by the date of publication of the Annual report: None.

II. Handling of corporate bonds, preferred shares and overseas depositary receipts: None

III. Handling of employee stock option certificates:

- (1) The company's employee stock option certificates that have not yet expired should disclose the status of the transaction as of the publication date of the Annual report and the impact on shareholders' equity: None
- (2) Managerial officer who has obtained employee stock option certificates accumulated until the date of publication of the Annual report, and Names of the top 10 employees with the number of shares that can be subscribed for by obtaining certificates, and status of obtaining and subscribing: None

IV. Handling of new shares with restricted employee rights

- (1) For new shares that restrict employees' rights and have not fully met the vested conditions, the status of handling as of the date of publication of the Annual report and the impact on shareholders' equity should be disclosed: None
- (2) Accumulated until the date of publication of the annual report to acquire the Managerial officer who has acquired new shares with restricted employee rights, and the names of the top 10 employees who acquired shares and acquisition status: None

V. Handling of new shares issued for M&A or transfer of shares of other companies:

- (1) In the most recent year and as of the publication date of the Annual report, mergers and acquisitions have been completed or shares of other companies have been transferred to issue new shares: None
- (2) Board of directors resolution passed in the most recent year and as of the publication date of the annual report. Mergers and acquisitions or transfer of shares from other companies to issue new shares and mergers and acquisitions

in progress or transfer of shares from other companies to issue new shares should disclose the implementation status and impact on shareholders' equity:
None

VI.Implementation of Fund Utilization Plan:

(1) Program content:

Previous issuances or private placements of securities have not been completed or have been completed in the last 3 years and the planned benefits have not yet appeared: None.

(2) Execution situation: not applicable.

Five. Operation Overview

I. Business Contents

(1) Business Scope:

1. Business main content:

- (1-) C901030 Cement manufacturing industry.
- (2-) B202010 Non-metallic mining.
- (3-) C901040 Ready-mixed concrete manufacturing industry.
- (4-) C901050 Cement and concrete products manufacturing industry.
- (5-) H701010 Residential and Building Development and Leasing.
- (6-) H701040 Development of specific professional areas.
- (7-) H701060 New Town, New Community Development.
- (8-) H703100 Real estate leasing industry.
- (9-) J102040 Waste treatment industry.
- (10-) F111090 Building materials wholesale.
- (11-) F211010 Building materials retailing.
- (12-) CD01010 Shipbuilding and its parts manufacturing.
- (13-) CD01020 Rail vehicle and its parts manufacturing industry.
- (14-) A201040 Forest recreation area business.
- (15-) J701020 Amusement park industry.
- (16-) ZZ99999 Except for licensed businesses, may conduct businesses that are not prohibited or restricted by law.
- (17-) C901990 Other non-metallic mineral products manufacturing industry.

2. 2022 Business proportion:

Item	Individuals		Consolidation	
	Amount (thousand)	Percentage (%)	Amount (thousand)	Percentage (%)
Cement	1,417,667	83.32	1,373,855	76.58
Furnace slag powder	181,322	10.66	172,357	9.61
Other	1,370	0.08	1,370	0.08
Lease	101,112	5.94	32,628	1.82
Ready-mixed concrete	-	-	198,660	11.07
Sale real estate	-	-	-	-
Project revenue	-	-	15,145	0.84
Total	1,701,471	100.00	1,794,015	100.00

3. Plan to develop products (services): None.

(2) Industry overview:

1. Current status and development of the industry:

(1-) Cement industry

In 2022, the domestic sales demand for cement in Taiwan will be 13.48 million metric tons, an increase of 850,000 metric tons or 6.7% compared with 12.63 million metric tons in 2021. Imported cement and clinker imports amounted to 3.41 million metric tons compared with 2.33 million metric tons in Year 2021, an increase of 1.08 million metric tons, an increase of 46%. In the domestic construction market, according to the statistics of the Construction and Construction Administration of the Ministry of the Interior, the total floor area of the construction license issued in 2022 will increase by 5.5% compared with the same period in Year 2021.

In 2022, the Executive Yuan compiled an overall public construction budget of NT\$459.6 billion, including major public projects such as forward-looking construction plans. In addition, under the implementation of private construction projects run by science and technology factories, the demand for cement has steadily increased.

(2-) Construction industry

It has been five consecutive years since the government implemented the real estate tax in 2016, and real estate is still showing positive growth. In 2020, the policy of cracking down on real estate speculation still cannot stop hot money from pouring into real estate. In order to prevent housing prices from overheating, the Executive Yuan passed the draft amendment to the "Regulations on the Averaging of Land Rights" on April 7, 2022, and passed the third reading of the Legislative Yuan on January 10, 2023. The revised draft contains the following five key points of housing crackdown: ① Restrict pre-sale houses, new existing houses for contract renewal or resale. ② Heavy penalties for hype behavior. ③ Establish a whistleblowing bonus system. ④ Restrict private legal person purchases. ⑤ The cancellation of the pre-sale house requires declaration and registration. After the revision of the law, the volume of house purchases in various regions has declined significantly. In June 2022, the total number of buildings sold and transferred in Liudu was 21,304, a decrease of 1,537 compared with May, and the overall monthly decrease was about 7%. Compared with the same period last year, there were 3,723 fewer buildings, an annual drop of about 15%.

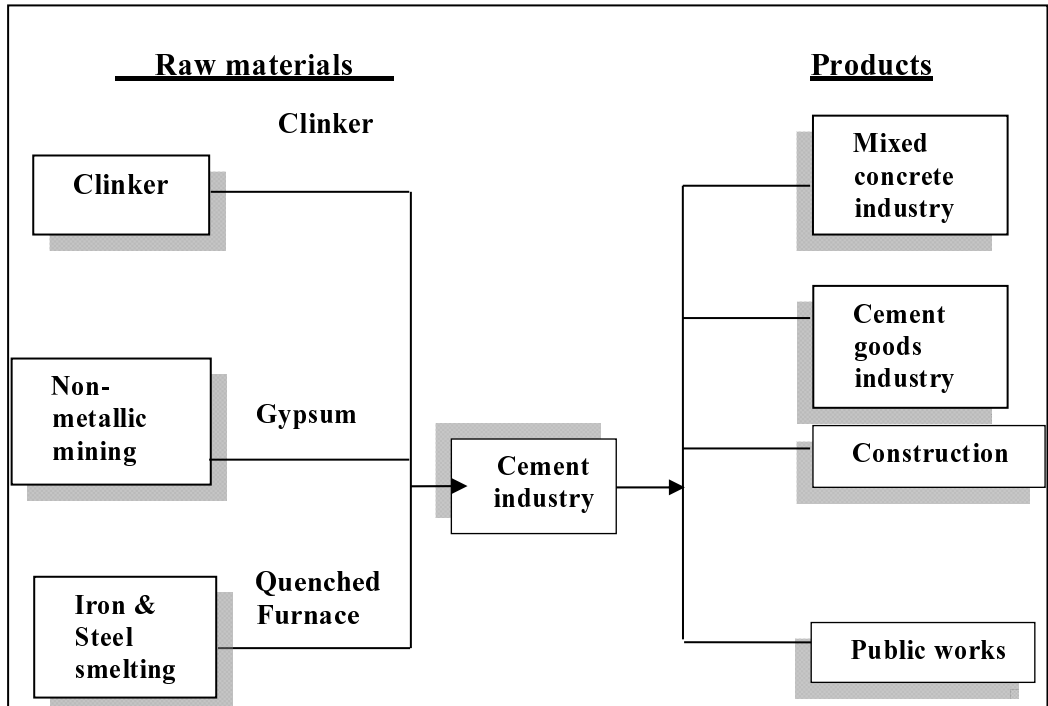
(3-) Circular economy business

Ready-mixed concrete and steel bars are indispensable main materials for construction and are key factors that directly affect the quality of the project. For material source control, ratio design, production control, and terminal verification, and the application and evaluation of quality control technology to meet construction standards and design requirements. Taking into account environmental sustainability, the development of resource reuse circular

economy industry Controlled Low Strength Material (CLSM), and transform the concrete industry into a circular, carbon-reducing, waste-reducing, and energy-saving green and sustainable industry.

2. Upstream, midstream, and downstream correlation of the industry:

(1) Cement Industry



- (A) Relationship between finished products and downstream industries: Ready-mixed concrete industry, cement products industry, construction and public works are the downstream industries of the cement industry. For example, the civil construction industry, public works and national defense construction all use cement, which deeply affects the prosperity of the domestic cement industry.
- (B) Various development trends and competition situations of products:
- ① Supply and demand: Based on transportation and cost considerations, cement is mainly transported and sold in the place of origin. In addition to the production of purchased raw materials, the demand for cement in the western region relies on Southeast Cement Co. to transport westward or import cement to maintain a balance between production and sales.
 - ② Substitution: Based on cost considerations, the ready-mixed concrete industry has increased a large number of additives such as blast-furnace slag powder and fly ash to replace cement, which has formed a long-term inevitable trend.
 - ③ Competition: Based on the characteristics of our products, our sales are mainly in the southern region, and we have been providing high-quality products and good after-sales service for

a long time. For such reputation have won the trust and recognition of our customers.

(2) Construction

"Southeast Cement" has been established for more than 60 years since December 28, 1956. Most of the bagged cement in the market the Company has a high market share. In terms of construction asset development, in addition to the use of its own construction projects, it can actively promote the use of the ready-mixed plant mixed soil in which Southeast Company participated in the investment to improve the company's performance.

(3) Technical and R&D overview:

Unit: NT\$ thousand

Year	Year 2022	Till Apr. 30, 2023
Amount	15	0

(4) Long-term and short-term business development plans:

1. Long-term development plans

(1-) Cement industry

The main products of the company are still Portland cement, blast furnace cement and furnace slag powder. The blast furnace cement products launched in response to market demand have been gradually recognized by the market, and sales continue to grow. Blast furnace cement is mainly used for geological improvement, and construction company floor tile laying and other projects. Water-quenched furnace slag is still purchased from China Steel and ground into furnace slag powder for sale in the southern region.

(2-) Construction

Revitalize the company's existing inventory land and the land after the scheduled replanning plan. At present, a subsidiary company, Southeast Miller, has been established to develop shopping malls or factory offices by introducing professional teams through cross-industry alliances as long-term lease income, and can own the benefit of the land appreciation. On the other hand, it can also enhance the company's corporate image and gradually transform it.

(3-) Leasing industry

The company's operation is mainly engaged in the development of commercial space. In order to establish market segmentation, it will be different from the development and operation mode of large department stores through the feedback of first-line chain brands of internationally

renowned brands launched in the post-epidemic era. The future commercial space planning will be developed towards independent individual stores, reducing the impact of normal operations affected by changes in market factors.

2. Short-term development plans

(1) Cement industry

Strive for business opportunities in construction projects, develop new product sales markets, improve quality standards, strengthen customer service, and ensure market position and competitive advantage.

(2) Construction

Dongni Construction owns two pieces of land and four joint construction projects. Among them, the third construction project is under construction, and the other three construction projects are scheduled to start and continue. The Tainan City Dongshan project is scheduled for 2023, and Kaohsiung City Swallow Nest Project was completed and sales were launched to increase revenue.

(3) Leasing industry

Lease 16,129.61 pings of land in Yawan District of the parent company Southeast Cement to attract investment for shopping mall development. It is expected to be developed in two areas, A and B. Area A (on the side of Fuxing Road) will be occupied by a large manufacturer, and Area B (on the side of Chenggong Road) will be a shopping mall or independent store. It is expected to attract domestic and foreign first-class well-known chain brands to settle in, and make overall planning in the form of a park.

II. Overview of the market and production and sales

(1) Market analysis:

(1-) Cement industry

In 2022, the total value of the major public projects in the southern region of more than 1 billion yuan was NT\$141.953 billion. Including the turnkey project of the Qianzhen Fishing Port Multifunctional Aquatic Products Distribution Center, Tainan Metropolitan Area North Outer Ring Road Connecting Shugu Park Connecting Road Project, Anping Port No. 11 Wharf and Back Line Site New Project, Kaohsiung Metropolitan Mass Rapid Transit System Gangshan Road Bamboo Extension Line RKC02 Bid Civil Engineering and Track Turnkey Project, Kaohsiung Metropolitan Mass Rapid Transit System Metropolitan Line (Yellow Line) YM01 standard electromechanical system and turnkey project of machine factory and main substation, new turnkey project of Daliao social housing (Phase I), The new turnkey project of social housing in Dapeng Nine Village, Gangshan District, Kaohsiung City, and the merger of 4 projects including the acquisition of

public works (3 districts) in the second phase of the development zone of Kaohsiung New Town (cooperating with the Science Park)

In 2022, the Ministry of Construction and Construction issued a total of 45.827 million m² of building "construction licenses" in Taiwan and Fujian, an increase of 2.402 million m² compared with Year 2021 43.425 million m², an increase of 5.5%. Looking forward to 2023, the demand for cement in public works construction and private construction will grow steadily.

Comparison table of production and sales in Taiwan between January-December 2022 and the same period last year

Unit: Thousand tons

Domestic Produced				Imported			Domestic Consumption
	Produce cement	Domestic sales cement(A)	Export cement	Cement	Clinker	Total(B)	(A+B)
Year 2022 1-12 mon.	11,223	10,068	1,098	692	2,717	3,409	13,477
Year 2021 1-12 mon.	11,958	10,297	1,815	342	1,993	2,335	12,632
Increase (Decrease)	-735	-229	-717	350	724	1,074	845
Growth rate (%)	-6.15%	-2.22%	-39.50%	102.34%	36.33%	46.00%	6.69%

(2-) Construction

The current market environment has entered a wait-and-see period due to the government's ongoing housing crackdown policy. The company's current cases are all sales of existing homes to control costs and maintain profits.

Favorable and Unfavorable Factors Affecting the Future Development of the Company:

1. Favorable factors:

(1) Cement industry

Due to the continuous implementation of forward-looking construction plans and public works, major construction projects such as Zuoying Military Port Weihai Project, new arsenal project, Renwu Park development and construction project, offshore wind power facilities, private construction project promotion, Nanzi Park TSMC plant construction project, Kaohsiung New Town Phase 2 Development Area (cooperating with the Science Park) development project, social housing in Kaohsiung City, etc., under the promotion of the overall southern major project construction and private construction projects, it will be helpful to cement sales.

(2) Construction

TSMC and Qiaotou Science Park will rapidly drive the future demographic dividend of the region. The red line of the MRT will extend from north to south and the yellow line and light rail will be fully started to increase the convenience of transportation.

(3) Circular economy business

The government promotes a circular economy, allowing waste resources to be fully recycled and reused. Minimize waste, maximize resources, and bring investment opportunities.

(4) Leasing industry

Asia's new bay area has convenient transportation, good living functions, and has the advantages of harbor views, and major public constructions have been completed one after another, leading industrial transformation. The government plans to build a 5G AioT innovation base, The development projects of "Special Trade 3" and 205 Arsenal Factory are more profitable, driving manufacturers to settle in and creating employment opportunities.

2. Unfavorable factors:

(1) Cement industry

Due to the lack of labor force, the progress of the construction project has been delayed, the cost of raw materials has increased due to the war between Russia and Ukraine, environmental protection regulations have become increasingly strict, and hidden worries such as rising electricity prices have made the company's operations even more difficult.

(2) Construction

The expansion of industrial plants and the construction industry have caused a serious shortage of labor to increase the price of work, which has affected the progress of the project and caused the cost to rise by at least 40%. Relatively, the price of housing has also increased accordingly, which is a heavier burden for first-time buyers, and the transaction speed has slowed down. In recent years, the construction industry has sufficient funds on hand and insufficient land inventory. As a result, the land bids launched by the government have repeatedly set new high prices, and private land has also risen steadily, making it difficult to purchase land and develop more difficult. The government has repeatedly increased the number of new laws and regulations to combat property speculation, which has led to a lack of confidence and delayed the purchase of homes by customers with rigid demand.

(3) Circular economy business

In the future, the proportion of green power and natural gas power generation will increase, and the cost of electricity will inevitably rise. The international carbon reduction trend will make the government's environmental protection policies more stringent and more challenging for operations.

(4) Leasing industry

Since the launch of On-line shopping and E-commerce, the traditional retail and catering market has been continuously eroded. Consumer habits and preferences continue to change. The post-epidemic era has affected the consumer market, and the food and beverage retail business has been affected by the impact, and the willingness to expand is becoming more conservative.

3. Countermeasures against unfavorable factors:

(1) Cement industry

Improve process equipment, strengthen facility environment maintenance, seek low-cost sources of raw materials to reduce production costs. To stabilize existing customers and develop new product markets and maximize the company's profitability through flexible sales strategies.

(2) Construction

Formulate standard construction specifications and strengthen construction site management to avoid unnecessary loss, reduce cost expenditure, plan products without excessive design on the appearance of additional buildings to control costs, and carefully select construction manufacturers to avoid poor quality and project delays. The price of a large area of complete land has risen too much. It can be evaluated in the city center for small land-base integration.

(3) Circular economy business

We are committed to promoting ESG, establishing and passing the ISO 14001 environmental management system, planning short-, medium- and long-term goals, and implementing a vision of sustainable development.

(4) Leasing industry

Asia New Bay Area transportation will be connected with the opening of the Circular light rail line to increase the willingness to go out and consume, and the presence of unique brands has attracted consumers to shop.

(2) Main product application and production process:

1. Main product:
 - 1). The 1st type Portland cement application: Public Works and Construction
 - 2). The 2nd type Portland cement application: Public Works and Construction
 - 3). Furnace slag powder application: Public Works and Construction

2. Production process:

Cement is made by grinding clinker into gypsum. The brief description is as follows:

- A. Cement Grinding: Grind clinker and gypsum cement to standard fineness (337~380 by air-permeability test method) and make cement products. After the cement is made, it needs to

be tested for strength. At present, the 28-day strength standard of our company's Portland Type I cement is 380kg/cm²; In addition, in the grinding process, according to the needs of customers, appropriate additives such as silicon, aluminum or furnace slag powder can be added to produce various types of cement such as fly ash cement, blast furnace cement and siliceous cement.

B. Packaging: Cement shipments are generally divided into two categories: bulk and bagged. Bulk cement is directly unloaded from the export port to the bulk truck according to the weighbridge. The bagged cement is weighed and checked by the packing machine in the cement storage warehouse, and then loaded and shipped. There are wet, semi-wet and dry production methods for cement raw material grinding. Wet firing consumes a lot of heat energy to evaporate water, and the production efficiency is the lowest. It has never been used here. The semi-wet method and the Leibo method are gradually replaced by the suspension preheating dry method with high thermal efficiency.

(3) Supply status of main raw materials:

Raw materials	Supply status
Clinker	Domestic purchasing
Gypsum	Domestic purchasing
Water-quenched furnace slag	Domestic purchasing

(4) Major purchases (sales) customers in last two years:

1. List of customers with sales of more than 10% of total sales in the last two years:

	Year 2021				Year 2022			
Item	Name	Amount (thousand)	Net sales ratio for the year [%]	Relationship with Issuer	Name	Amount (thousand)	Net sales ratio for the year [%]	Relationship with Issuer
1	Liang xun enterpris e co.,	163,353	8.84	None	Liang xun enterprise co.,	201,144	11.21	None
2	Chaoqun Concrete Industry Co.	160,453	8.69	None	Hongxin Building Material Co.	122,211	6.81	None
	Other	1,515,531	82.06	None	Other	1,470,660	81.98	None
	Net sales	1,846,785	100.00		Net sales	1,794,015	100.00	

Note: Consolidated financial statements are used.

2. List of customers with sales of more than 10% of total sales in the last two years:

	Year 2021				Year 2022			
Item	Name	Amount (thousand)	Net goods purchased ratio for the year [%]	Relationship with Issuer	Name	Amount (thousand)	Net goods purchased ratio for the year [%]	Relationship with Issuer
1	Taiwan Cement	892,369	77.63	None	Taiwan Cement	1,006,799	70.86	None
	Other	244,613	22.37	None	Other	414,122	29.14	None
	Net goods purchased	1,136,982	100.00		Net goods purchased	1,420,921	100.00	

Note 1: Consolidated financial statements are used.

(5) Production volume of major products for the last two years:

Unit: metric tons / NT\$ thousand

Year	Year 2021			Year 2022		
Production						
Main Products (or Dept.)	Productivity	Capacity	Production value	Productivity	Capacity	Production value
Cement	871,000	525,614	998,132	871,000	458,971	1,072,227
Furnace slag powder	232,000	167,560	184,650	232,000	136,188	154,611
Total	1,103,000	693,174	1,182,782	1,103,000	595,159	1,226,838

(6) Sales value of major products in last two years:

Unit: metric tons / NT\$ thousand

Year	Year 2021				Year 2022			
Sales value	Domestic sales		Export		Domestic sales		Export	
Main Products (or Dept.)	Capacity	Production value	Capacity	Production value	Capacity	Production value	Capacity	Production value
Cement	552,168	1,311,607	0	0	496,761	1,417,667	0	0
Furnace slag powder	162,338	200,855	0	0	144,308	181,322	0	0
Total	714,506	1,512,462	0	0	641,069	1,598,989	0	0

III. Overview of employees in the past two years

(1) The company

Year		Year 2021	Year 2022	Current year as of April 30, 2023
No. of employees		104	104	101
Average age		54.8	55.2	55.4
Average years of service		10.79	10.59	10.79
Academic distribution ratio (%)	Ph.D	0	0	0
	Master	2	2	4
	College	46	47	45
	High School	45	45	45
	Below High School	7	6	6

(2) All companies in the financial report

Year		Year 2021	Year 2022	Current year as of April 30, 2023
No. of employees		137	146	156
Average age		52	54	51
Average years of service		8.46	7.93	7.39
Academic distribution ratio (%)	Ph.D	0	0	0
	Master	4	6	6
	College	51	48	49
	High School	40	42	38
	Below High School	5	4	7

IV. Environmental protection expenditure information

(1) Losses due to environmental pollution in the last two years and up to the date of publication of the annual report:

Item	Year 2021	Year 2022	Current year as of April 30, 2023
Pollution status (type, degree)	None	Air pollution	None
Compensation object or punishment unit	None	Environmental Protection Bureau	None
Amount of compensation or penalties	None	NT\$225,000	None
Other losses	None	None	None

(2) Countermeasures:

1. In order to strengthen the inspection and maintenance of process production equipment, the environmental protection number is added to the original equipment number in the equipment inspection and maintenance record sheet to implement the inspection and maintenance work and facilitate follow-up inspections.
2. In order to prevent the contingency measures when the equipment is abnormal, the method of "response measures to prevent pollution exceeding the discharge standard or limit range" has been revised and added, and the training of personnel has been strengthened to implement the implementation of abnormal contingency measures.

(3) The company's key environmental protection works in the future:

1. Continue the soil and water conservation and landscape maintenance of the original mining area.

2. Strengthen the cleaning of transportation roads and environmental greening and cleaning in the factory area.
3. Strengthen the maintenance of production equipment and ensure the normal operation of air pollution control equipment to avoid pollution.
4. Strengthen the professional training and management of staff, reduce human error, and strengthen the ability to respond to abnormal situations.

V. Labor Management Relations

(1) Employee welfare system:

1. Major employee welfare measures and implementation status:

- (1-) According to the Labor Standards Act and related regulations, Work out the company "Works Rules" and approved by the competent authority.
- (2-) Established employee welfare committee to handle various welfare businesses, such as the lottery at the end of the year, birthday gift certificates, labor day gifts, 3-festival gift certificate, etc., with excellent performance.
- (3-) Set up a self-improvement association for employees to provide direct benefits for employees, for example, employees and immediate family members will be given congratulatory gifts for weddings and funerals, emergency relief funds, hospital condolences, interest-free loans, accommodation supplies, employee group insurance, free health checks, group employee travel subsidies, etc., so that employees have no worries.
- (4-) Self-organized employee training committees, handling labor education, instilling new knowledge, and cultivating corporate ethics to improve technical standards and professional ethics.
- (5-) Not less than 2% of Employee remuneration is allocated when profit is earned.

2. Employee retirement system and implementation:

In order to stabilize the life of employees after retirement, the company has formulated labor retirement measures according to the law. The seniority of employees before July 1, 2005 has been settled in accordance with Article 11 of the Labor Retirement Regulations. Labor Retirement Regulations] method, which stipulates the retirement method of determining the allocation, and 6% of the salary is allocated to the employee's personal pension account every month; Those who have voluntary contributions to the pension will also be withheld from the employee's monthly salary to the individual pension account of the Labor Insurance Bureau according to the voluntary contribution rate. The company applies the following provisions in accordance with the Labor Pension Act:

(1-) Self-retirement:

An employee may apply for retirement voluntarily under one of the following circumstances:

- ① Those who have worked for more than 15 years and are over 55 years old.
- ② Those who have worked for more than 25 years.
- ③ Those who have worked for more than 10 years and have reached 60 years old.

(2-) Compulsory retirement:

The company shall not force employees to retire unless they fall under any of the following circumstances:

- ① Over 65 years old.
- ② Mentally disabled or physically disabled and unfit for the job. The age stipulated in the first item of the preceding paragraph may be

adjusted by the company to the central competent authority for approval of workers with special characteristics such as dangerous and strong physical strength. However, the age shall not be less than 55 years old.

- (2) Losses due to labor disputes in the past three years and up to the publication date of the annual report:
1. Losses due to labor disputes in the past three years and up to the publication date of the annual report: None
 2. Current and future countermeasures: None
 3. Current and future estimated amount: None

VI. Information Security Management

- (1) Information communication security risk management framework, information communication security policy, specific management plan and resources invested in information communication security management:

1. Information security risk management framework

The company in October 28, 2022, according to the announcement of the Financial Management Commission on December 28, 2021, set up a dedicated information security supervisor and a dedicated information security officer, and established an "Information Security Management Committee" to be responsible for formulating the company's information security policies , to reduce internal information security risks.

2. Information Communication Security Policy

- (1-) Execution the implementation of an information asset and information security management system.
- (2-) Protect the information system from unauthorized access and modification.
- (3-) Ensure the availability of system authorized persons.
- (4-) Comply with the requirements of laws and regulations.
- (5-) Strengthen information security education and training.
- (6-) Audit information security implementation status from time to time.
- (7-) Strengthen information security joint defense and information sharing.

3. Specific management plan

(1-) Information Security

Set up a firewall: reduce the chance of external intrusion.

Antivirus settings: Reduce virus infections.

Email Control: Prevent unsafe emails.

Data backup: Daily backup; sent to off-site storage every week to ensure data security.

Data restoration: At least one restoration drill per year to ensure the effectiveness of the system.

Computer room protection: computer room temperature, humidity and personnel access control to ensure equipment safety.

(2-) Audit review

The company conducts information security checks by the internal audit unit and a third party and submits implementation and review reports to the "Information Security Management Committee" from time to time to reduce the risk of the company's information security.

4. Invest resources in information security
 - (1-) ISO 27001 management standard.
 - (2-) Network hardware equipment.
 - (3-) Backup line.
 - (4-) Cloud service.
 - (5-) Information security manpower.
 - (6-) Information security education.
 - (7-) Third-party audit.
- (2) In the most recent year and as of the publication date of the annual report, losses suffered due to major information security incidents, possible impacts and countermeasures: None

VII. Important Contracts

(1) The Company

Contract Nature	Parties	Contract start and end date	Main Content	Restriction
Lease contract	Chint Cement Works Co.,	2021.01.01-2025.12.31	Lease the company's Kaohsiung factory land and its production equipment	None
Lease contract	Taiwan Petroleum Corp.	2017.01.01-2022.12.31	Lease the land of the oil factory section	For cement mfg. & processing only
Lease contract	State-owned Property Administration Southern Branch	2019.02.01-2027.12.31	Lease land in Gaonan section	None
Lease contract	Railway Administration of the MOC	2019.10.21-2022.10.20	Lease land in Gaonan section and Shande section	None
Lease contract	Taiwan Concrete Industry Co.,	2022.01.01-2022.12.31	Lease land in Gaonan section	Limited to stacking raw materials
Lease contract	Taiwan Port Corp., Kaohsiung Port Branch	2022.01.28-2042.01.27	Lease the land and equipment of Kaohsiung Port No. 45 Wharf	None

(2) Subsidiary - Southeast Gaoliang Resources Recycling Co., Ltd.

Contract Nature	Parties	Contract start and end date	Main Content	Restriction
Lease contract	Taiwan-Mix Resource Development Co.,	2020.04.01-2040.03.31	Lease of land and buildings in Shande Section	None
Lease contract	Southeast Cement Co.,Ltd	2022.11.01-2042.10.31	Lease land in Chihkan Section, Daliao District, Kaohsiung City	None

(3) Subsidiary -Southeast Miller International Co., Ltd.

Contract Nature	Parties	Contract start and end date	Main Content	Restriction
Lease contract	Southeast Cement Corp.,	2022.06.01-2052.05.31	Lease of land in the economic and trade section	None

Six. Financial Overview

I. Last 5 years' Condensed Balance Sheet and Consolidated Income Statement

(1) Condensed Consolidated Balance Sheet:

Unit: NT\$ thousand

Year Item		Last 5 Years Financial Data				
		Year 2018 (Note 1)	Year 2019 (Note 1)	Year 2020 (Note 1)	Year 2021 (Note 1)	Year 2022 (Note 1)
Liquid asset		2,029,986	2,026,192	1,963,779	2,053,373	2,486,102
Property, plant and equipment		216,383	226,093	249,698	1,201,139	1,580,344
Intangible asset		0	58	23	0	0
Other asset		7,001,382	7,488,005	7,651,820	7,703,988	7,923,243
Total assets		9,247,751	9,740,348	9,865,320	10,958,500	11,989,689
Liquid liabilities	Pre-allocation	412,748	661,655	723,920	1,683,431	2,381,025
	Post-allocation	412,748	661,655	723,920	1,683,431	2,381,025
Non-current liabilities		322,865	507,709	592,681	564,360	881,996
Total liabilities	Pre-allocation	735,613	1,169,364	1,316,601	2,247,791	3,263,021
	Post-allocation	735,613	1,169,364	1,316,601	2,247,791	3,263,021
Attributable to owners of parent company equity		8,483,670	8,524,175	8,489,809	8,623,725	8,631,706
Share capital		5,720,008	5,720,008	5,720,008	5,720,008	5,720,008
Capital reserve		188,057	188,162	188,267	188,373	188,583
Retained earnings	Pre-allocation	2,136,831	2,114,087	2,093,199	2,176,233	2,211,351
	Post-allocation	2,136,831	2,114,087	2,093,199	2,176,233	2,211,351
Other equity		450,959	514,103	500,520	551,296	523,949
Treasury stocks		(12,185)	(12,185)	(12,185)	(12,185)	(12,185)
Non-control equity		28,468	46,809	58,910	86,984	94,962
Total equity	Pre-allocation	8,512,138	8,570,984	8,548,719	8,710,709	8,726,668
	Post-allocation	8,512,138	8,570,984	8,548,719	8,710,709	8,726,668

Note 1: Certified by accountant.

(2) Condensed individual balance sheet:

Unit: NT\$ thousand

Year		Year 2018 (Note 1)	Year 2019 (Note 1)	Year 2020 (Note 1)	Year 2021 (Note 1)	Year 2022 (Note 1)
Item						
Liquid asset		1,468,195	1,427,080	1,363,990	1,421,869	1,268,230
Property, plant and equipment		216,383	209,545	226,744	1,121,926	1,237,416
Intangible asset		0	0	0	0	0
Other asset		7,494,015	7,990,360	7,967,763	8,069,866	9,007,336
Total assets		9,178,593	9,626,985	9,558,497	10,613,661	11,512,982
Liquid liabilities	Pre-allocation	395,506	618,549	634,360	1,579,136	2,146,610
	Post-allocation	395,506	618,549	634,360	1,579,136	2,146,610
Non-current liabilities		299,417	484,261	434,328	410,800	734,666
Total liabilities	Pre-allocation	694,923	1,102,810	1,068,688	1,989,936	2,881,276
	Post-allocation	694,923	1,102,810	1,068,688	1,989,936	2,881,276
Share capital		5,720,008	5,720,008	5,720,008	5,720,008	5,720,008
Capital reserve		188,057	188,162	188,267	188,373	188,583
Retained earnings	Pre-allocation	2,136,831	2,114,087	2,093,199	2,176,233	2,211,351
	Post-allocation	2,136,831	2,114,087	2,093,199	2,176,233	2,211,351
Other equity		450,959	514,103	500,520	551,296	523,949
Treasury stocks		(12,185)	(12,185)	(12,185)	(12,185)	(12,185)
Total equity	Pre-allocation	8,483,670	8,524,175	8,489,809	8,623,725	8,631,706
	Post-allocation	8,483,670	8,524,175	8,489,809	8,623,725	8,631,706

Note 1: Individual financial statements certified by accountant.

(3) Condensed consolidated income statement:

Unit: NT\$ thousand

Item \ Year	Year 2018 (Note 1)	Year 2019 (Note 1)	Year 2020 (Note 1)	Year 2021 (Note 1)	Year 2022 (Note 1)
Operating revenue	1,676,187	1,584,940	1,590,986	1,846,785	1,794,015
Gross profit	144,454	82,289	67,372	134,568	121,279
Operating profit and loss	40,497	(8,509)	(30,573)	12,054	(31,499)
Non-operating income and expenses	30,744	51,653	38,003	137,074	141,176
Net profit before tax	71,241	43,144	7,430	149,128	109,677
Net profit of continuing business units	65,589	33,243	16,949	133,811	108,124
Loss of closed units	0	0	0	0	0
Net profit (loss) for the period	65,589	33,243	16,949	133,811	108,124
Other comprehensive gains and losses for the period (Net after-tax)	(9,357)	64,507	689	51,015	(26,916)
Total comprehensive profit and loss for the period	56,232	97,750	17,638	184,826	81,208
Net profit attributable to the owner of the parent company	65,680	33,133	22,158	139,985	149,043
Net profit attributable to Non-control equity	(91)	110	(5,209)	(6,174)	(40,919)
Total consolidated profit or loss attributable to owners of the parent company	56,187	97,600	22,729	191,010	122,171
Total consolidated profit or loss attributable to non-control equity	45	150	(5,091)	(6,184)	(40,963)
Surplus per share	0.12	0.06	0.04	0.25	0.26

Note 1: Certified by accountant.

(4) Condensed Individual Comprehensive Income Statement:

Unit: NT\$ thousand

Item \ Year	Year 2018 (Note 1)	Year 2019 (Note 1)	Year 2020 (Note 1)	Year 2021 (Note 1)	Year 2022 (Note 1)
Operating revenue	1,562,161	1,572,842	1,592,259	1,580,865	1,701,471
Gross profit	111,631	78,157	67,283	105,688	166,202
Operating profit and loss	20,545	(4,870)	(14,605)	20,029	51,698
Non-operating income and expenses	46,814	48,315	27,272	134,961	98,597
Net profit before tax	67,359	43,445	12,667	154,990	150,295
Net profit of continuing business units	65,680	33,133	22,158	139,985	149,043
Loss of closed units	0	0	0	0	0
Net profit (loss) for the period	65,680	33,133	22,158	139,985	149,043
Other comprehensive gains and losses for the period (Net after-tax)	(9,493)	64,467	571	51,025	(26,872)
Total comprehensive profit and loss for the period	56,187	97,600	22,729	191,010	122,171
Net profit attributable to the owner of the parent company	65,680	33,133	22,158	139,985	149,043
Net profit attributable to Non-control equity	0	0	0	0	0
Total consolidated profit or loss attributable to owners of the parent company	56,187	97,600	22,729	191,010	122,171
Total consolidated profit or loss attributable to non-control equity	0	0	0	0	0
Surplus per share	0.12	0.06	0.04	0.25	0.26

Note 1: Individual financial statements certified by accountant.

(5) Last five years Certified Public Accountant:

Year	Accounting Firm	Accountant Name	Audit Opinion
Year 2018	Crowe Horwath United Certified Public Accountants	Cai Shuman, Li Qinglin	Unqualified opinion plus other matters paragraph
Year 2019	Crowe Horwath United Certified Public Accountants	Cai Shuman, Li Qinglin	Unqualified opinion plus other matters paragraph
Year 2020	Crowe Horwath United Certified Public Accountants	Cai Shuman, Li Qinglin	Unqualified opinion plus other matters paragraph
Year 2021	Crowe Horwath United Certified Public Accountants	Cai Shuman, Li Qinglin	Unqualified opinion plus other matters paragraph
Year 2022	Crowe Horwath United Certified Public Accountants	Cai Shuman, Li Qinglin	Unqualified opinion plus other matters paragraph

II. Financial Analysis of Last 5 Years

(1) Consolidated financial statement analysis:

Analysis Items \ Year		Year 2018 (Note 1)	Year 2019 (Note 1)	Year 2020 (Note 1)	Year 2021 (Note 1)	Year 2022 (Note 1)
Financial structure (%)	Liabilities to assets ratio	7.95	12.01	13.35	20.51	27.22
	Long-term capital to property, plant and equipment ratio	3,933.83	3,790.91	3,423.62	725.20	552.20
Solvency (%)	Current ratio	491.82	306.23	271.27	121.98	104.41
	Quick ratio	181.77	133.59	114.7	60.11	53.00
	Times interest earned ratio	6,776.76	973.18	221.29	1,443.25	708.98
Operating capacity	Receivables turnover(times)	4.66	4.06	3.91	4.88	5.01
	Days' sales in receivables	78.32	89.90	93.35	74.79	72.85
	Payables turnover (times)	7.11	7.04	7.08	8.12	7.45
	Inventory turnover(times)	3.16	2.48	1.98	1.98	1.80
	Days' sales in inventory	115.5	147.17	184.34	184.34	202.77
	Property, plant and equipment turnover(times)	7.54	7.16	6.69	2.55	1.29
	Total assets turnover(times)	0.18	0.17	0.16	0.18	0.16

Analysis Items \ Year		Year 2018 (Note 1)	Year 2019 (Note 1)	Year 2020 (Note 1)	Year 2021 (Note 1)	Year 2022 (Note 1)
Profitability	Return on assets (%)	0.71	0.39	0.22	1.37	1.07
	Return on equity (%)	0.77	0.39	0.20	1.55	1.24
	Pre-tax net profit to paid-in capital ratio (%)	1.25	0.75	0.13	2.61	1.92
	Profit margin (%)	3.91	2.10	1.07	7.25	6.03
	Surplus per share (year)	0.12	0.06	0.04	0.25	0.26
Cash flow	Cash flow ratio (%)	3.86	26.87	15.29	15.84	-11.62
	Cash flow proper ratio (%)	30.71	32.81	23.59	26.97	11.14
	Cash reinvestment ratio (%)	-0.62	1.87	0.84	4.62	-8.45
Leverage	Operating leverage	3.05	-7.77	-1.71	8.25	-2.95
	Financial leverage	1.03	0.63	0.83	12.66	0.64
Explanation of changes in financial ratios for the last two years; - Liabilities to assets ratio increase: Mainly due to year 2022, increase in short-term borrowings and short-term notes payable, therefore, the increase in liabilities. - Long-term capital to property, plant and equipment ratio decrease: Mainly due to increase in property, plant and equipment. - Current ratio and Quick ratio decrease: ditto to 1. - Receivables turnover increase: Mainly due to decrease in receivable. - Property, plant and equipment turnover decrease: Mainly due to increase in property, plant and equipment. - Times interest earned ratio decrease: Mainly due to 2022 decrease in net income before tax. - Return on assets, Return on equity decrease: Mainly due to 2022 decrease in after-tax profit or loss. - Pre-tax net profit to paid-in capital ratio decrease: ditto to 6. - Profit margin decrease: ditto to 6. - Cash flow ratio and Cash reinvestment ratio decrease: Mainly due to Year 2022 Operating activities net cash flow decrease. - Cash flow proper ratio decrease: ditto to 10. - Operating leverage decrease: Mainly due to decrease in operating revenues. - Financial leverage decrease: Mainly due to Operating profit decrease.						

Note 1: Certified by accountant.

1. Financial structure

(1) Liabilities to assets ratio = Total liabilities / Total assets.

(2) Long-term capital to property, plant and equipment ratio = (Total equity + Non-current liabilities) / Net property, plant and equipment.

2. Solvency

(1) Current ratio = Liquid asset / Liquid liabilities.

(2) Quick ratio = (Liquid asset – Inventory – Prepaid fee) / Liquid liabilities.

(3) Times interest earned ratio = $\frac{\text{Income tax and Net profit before interest expense}}{\text{Current interest expense}}$.

3. Operating capacity

(1) Receivables (including accounts receivable and bills receivable arising from operations) Turnover = $\frac{\text{Net sales}}{\text{Average of each term Receivables (including accounts receivable and bills receivable arising from operations) balance}}$.

(2) Days' sales in receivables = $\frac{365}{\text{Receivables turnover}}$.

(3) Inventory turnover = $\frac{\text{Cost of sales}}{\text{Average inventory amount}}$.

(4) Accounts payable (including accounts payable and Bills payable arising from operations) Turnover = $\frac{\text{Cost of sales}}{\text{Average of each term Accounts payable (including accounts payable and Bills payable arising from operations) balance}}$.

(5) Days' sales in inventory = $\frac{365}{\text{Inventory turnover}}$.

(6) Property, plant and equipment turnover = $\frac{\text{Net sales}}{\text{Average net property, plant and equipment}}$.

(7) Total assets turnover = $\frac{\text{Net sales}}{\text{Average total assets}}$.

4. Profitability

(1) Return on assets = $\frac{[\text{After-tax profit and loss} + \text{Interest expense} \times (1 - \text{Tax rate})]}{\text{Average total assets}}$.

(2) Return on equity = $\frac{\text{After-tax profit and loss}}{\text{Average net equity}}$.

(3) Profit margin = $\frac{\text{Profit or loss after tax}}{\text{Net sales}}$

(4) Surplus per share = $\frac{\text{Profit or loss attributable to owners of parent company} - \text{Preference dividend}}{\text{Weighted average No. of issued shares. (Note 1)}}$

5. Cash flow

(1) Cash flow ratio = $\frac{\text{Operating activities net cash flow}}{\text{Liquid liabilities}}$.

(2) Net Cash flow proper ratio = $\frac{\text{Last five years operating activities net cash flow}}{\text{Last five years (Capital expenditure} + \text{Inventory increase} + \text{Cash dividend})}$.

(3) Cash reinvestment ratio = $\frac{\text{Operating activities net cash flow} - \text{Cash dividend}}{\text{Gross real estate, buildings, and equipment} + \text{Long-term investment} + \text{Other Non-liquid asset} + \text{Working capital. (Note 2)}}$

6. Leverage:

(1) Operating leverage = $\frac{\text{Net operating revenue} - \text{Operating cost change and expense}}{\text{Operating profit (Note 3)}}$.

(2) Financial leverage = $\frac{\text{Operating profit}}{\text{Operating profit} - \text{Interest expense}}$.

Note 1: The calculation formula of Surplus per share mentioned above should pay special attention to the following items when measuring:

1. Based on weighted average common shares, not year-end issued shares.

2. The weighted average number of shares is calculated by taking into account the period of liquidity of the shares in which the capital increase or treasury stock is traded.

3. Where there is a capital increase from surplus or a capital increase from capital reserves, when calculating Surplus per share for previous years and semi-annual, it should be retroactively adjusted according to the capital increase ratio, regardless of the issuance period of the capital increase.

4. If the preference shares are non-convertible cumulative preference shares, the dividends for the current year (whether paid or not) shall be deducted from the after-tax net profit or added to the

after-tax net loss. If the preference shares are non-cumulative in nature, if there is net profit after tax, the preference dividend should be deducted from the net profit after tax; if it is a loss, no adjustment is required.

Note 2: Cash flow analysis should pay special attention to the following matters when measuring:

1. Operating activities net cash flow refers to the net cash inflow from operating activities in the Cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Inventory increase quantity is included only when the ending balance is greater than the opening balance and is calculated as zero if the inventory decreases at the end of the year
4. Cash dividend including common and preferred shares.
5. Gross property, plant and equipment is the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 3: The issuer should distinguish various operating costs and operating expenses into fixed and variable according to their nature. If there are involved and estimated or subjective judgments, they should pay attention to their rationality and maintain consistency.

(2) Individual financial report analysis:

Year Analysis Items		Year 2018 (Note 1)	Year 2019 (Note 1)	Year 2020 (Note 1)	Year 2021 (Note 1)	Year 2022 (Note 1)
Financial structure (%)	Liabilities to assets ratio	7.57	11.46	11.18	18.75	25.03
	Long-term capital to property, plant and equipment ratio	3,920.67	4,067.97	3744.23	768.65	697.56
Solvency (%)	Current ratio	371.22	230.71	215.02	90.04	59.08
	Quick ratio	126.16	90.78	100.47	46.43	25.90
	Times interest earned ratio	6,424.79	981.77	401.38	1975.48	1092.50
Operating capacity	Receivables turnover(times)	4.45	4.03	3.92	4.37	5.01
	Days 'sales in receivables	82.02	90.57	93.11	83.52	72.85
	Payables turnover (times)	6.89	7.25	7.97	8.34	8.22
	Inventory turnover(times)	3.35	2.72	2.88	2.92	2.96
	Days' sales in inventory	108.95	134.19	126.73	125	123.31
	Property, plant and equipment turnover(times)	7.22	7.51	7.02	1.41	1.38

Year Analysis Items		Year 2018 (Note 1)	Year 2019 (Note 1)	Year 2020 (Note 1)	Year 2021 (Note 1)	Year 2022 (Note 1)
	Total assets turnover (times)	0.17	0.16	0.17	0.15	0.15
Profitability	Return on assets (%)	0.72	0.40	0.27	1.46	1.46
	Return on equity (%)	0.77	0.39	0.26	1.64	1.73
	Pre-tax net profit to paid-in capital ratio (%)	1.18	0.76	0.22	2.71	2.63
	Profit margin (%)	4.20	2.11	1.39	8.85	8.76
	Surplus per share (yeaen)	0.12	0.06	0.04	0.25	0.26
Cash flow	Cash flow ratio (%)	2.85	35.25	19.59	15.93	13.94
	Cash flow proper ratio (%)	84.96	85.80	79.07	49.21	60.92
	Cash reinvestment ratio (%)	-0.69	2.50	1.05	5.54	4.14
Leverage	Operating leverage	4.73	-12.80	-3.58	4.55	2.97
	Financial leverage	1.05	0.50	0.78	1.70	1.41

Explanation of changes in financial ratios for the last two years:

- 1.Cash flow ratio decrease: Mainly due to Liquid liabilities increase.
- 2.Cash flow proper ratio increase: Mainly due to Operating activities net cash flow increase.
- 3.Cash reinvestment ratio decrease: Mainly due to the increase in long-term investments.

Note 1: Certified by accountant.

1.Financial structure

- (1) Liabilities to assets ratio=Total liabilities/Total assets.
- (2) Long-term capital to property, plant and equipment ratio=(Total equity + Non-current liabilities)/Net property, plant and equipment.

2. Solvency

- (1) Current ratio=Liquid asset/Liquid liabilities.
- (2) Quick ratio=(Liquid asset—Inventory—Prepaid fee)/Liquid liabilities.
- (3) Times interest earned ratio=Income tax and Net profit before interest expense/Current interest expense.

3. Operating capacity

- (1) Receivables (including accounts receivable and bills receivable arising from operations)
Turnover= Net sales/Average for each term Receivables (including accounts receivable and bills receivable arising from operations) balance.
- (2) Days 'sales in receivables=365/Receivables turnover.
- (3) Inventory turnover=Cost of sales/Average inventory amount.

- (4) Accounts payable (including accounts payable and Bills payable arising from operations)
Turnover= Cost of sales/Average of each term Accounts payable (including accounts payable and Bills payable arising from operations) balance.
 - (5) Days' sales in inventory=365/Inventory turnover.
 - (6) Property, plant and equipment turnover=Net sales/Average net property, plant and equipment.
 - (7) Total assets turnover=Net sales/Average total assets.
4. Profitability
- (1) Return on assets= [After-tax profit and loss + Interest expense× (1 — Tax rate)] / Average total assets.
 - (2) Return on equity=After-tax profit and loss/Average total equity.
 - (3) Profit margin = Profit or loss after tax / Net sales
 - (4) Surplus per share=(Profit or loss attributable to owners of parent company — Preference dividend)/Weighted average No. of issued shares.(Note 1)
5. Cash flow
- (1) Cash flow ratio=Operating activities net cash flow/Liquid liabilities.
 - (2) Net Cash flow proper ratio=Last five years Operating activities net cash flow/Last five years (Capital expenditure + Inventory increase + Cash dividend).
 - (3) Cash reinvestment ratio=(Operating activities net cash flow — Cash dividend)/(Gross real estate, factories, and equipment+ Long-term investment + Other Non-Liquid asset+ Working capital).(Note 2)
6. Leverage:
- (1) Operating leverage=(Net operating revenue — Operating cost change and expense) / Operating profit(Note 3).
 - (2) Financial leverage=Operating profit / (Operating profit — Interest expense).

Note 1: The calculation formula of Surplus per share mentioned above should pay special attention to the following items when measuring:

1. Based on weighted average common shares, not year-end issued shares.
2. The weighted average number of shares is calculated by taking into account the period of liquidity of the shares in which the capital increase or treasury stock is traded.
3. Where there is a capital increase from surplus or a capital increase from capital reserves, when calculating Surplus per share for previous years and semi-annual, it should be retroactively adjusted according to the capital increase ratio, regardless of the issuance period of the capital increase.
4. If the preference shares are non-convertible cumulative preference shares, the dividends for the current year (whether paid or not) shall be deducted from the after-tax net profit or added to the after-tax net loss. If the preference shares are non-cumulative in nature, if there is net profit after tax, the preference dividend should be deducted from the net profit after tax; if it is a loss, no adjustment is required.

Note 2: Cash flow analysis should pay special attention to the following matters when measuring:

1. Operating activities net cash flow refers to the net cash inflow from operating activities in the Cash flow statement.
2. Capital expenditures represent the annual cash outflows from capital investments.
3. Inventory increase quantity is included only when the ending balance is greater than the opening balance and is calculated as zero if the inventory decreases at the end of the year.
4. Cash dividend including common and preferred shares.
5. Gross property, plant and equipment is the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 3: The issuer should distinguish various operating costs and operating expenses into fixed and variable according to their nature. If there are involved and estimated or subjective judgments, they should pay attention to their rationality and maintain consistency.

Note 4: If the company's stock is Non-par value or Par value per share, which is not NT\$10, the calculation of the ratio of the above-mentioned relative to the paid-in capital shall be calculated based on the ratio of equity attributable to the owner of the parent company on the balance sheet

III. Audit Committee Report on the Review of Recent Annual Financial Statements

Audit Committee Review Report

Board of directors prepares the Company's 2022 Annual business report, Financial statements (including Individual and Consolidated financial statements) and Profit distribution proposals, etc.; Among them, the Financial statements have been audited by Crowe Horwath United Public Accountants Cai Shuman and Li Qinglin, and an Audit report has been issued.

The above Business report, Financial statement and Profit distribution proposal have been checked by this Audit committee, and there is no discrepancy. Please report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law. Please review.

Yours sincerely,

Southeast Cement Corp., Ltd. 2023 Annual general meeting

Southeast Cement Corp.

Audit committee Chairperson: 楊文武

March 14, 2023

IV. Consolidated financial report for the most recent year, including audit report by accountant, balance sheet for two-year comparison, comprehensive profit and loss statement, statement of equity changes, Cash flow statement and annex or appendix:

**Southeast Cement Corp., Ltd.
STATEMENT**

About the Company Year 2022 (From Jan. 1, 2022 to Dec. 31, 2022), according to the “Related Company Consolidated Business Report, Related Company Consolidated Financial Statement and Relationship Report Compose Criteria”, companies that should be included in the preparation of relational business consolidated financial reports are in accordance with the International Financial Reporting Standard No. 10 approved by the Financial Supervisory Commission. The companies that should be included in the parent-subsidary Consolidated financial report are the same, and the relevant information that should be disclosed in the parent-subsidary consolidated financial report has been disclosed in the previously disclosed parent-subsidary consolidated financial report, and the relationship business consolidated financial report will not be prepared separately.

Hereby Declare

Company name: Southeast Cement Corp., Ltd.

Responsible person: Chen Minduan

March 14, 2023

Accountant Audit Report

Southeast Cement Corp., Ltd.:

Audit Opinion

The consolidated balance sheet of Southeast Cement Corp., Ltd. and Subsidiaries (hereinafter referred to as Southeast Cement Group) for the Year 2022 and Dec. 31, 2021, and the Year 2022 and 2021, January 1 to December 31 Consolidated Comprehensive Income Statement, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and the notes to the Consolidated financial report (including the summary of major accounting policies), which have been checked by our accountants.

According to the opinion of the accountant, based on the audit results of the accountant and the audit report of other accountants (please refer to the other event paragraph), the Consolidated financial report is issued above for all Significant aspects. It is compiled in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Announcements approved and issued by the Financial Supervisory Commission. Thus, it is sufficient to express the consolidated financial status of Southeast Group in Year 2022 and Dec. 31, 2021, and the consolidated financial performance and consolidated cash flow in Year 2022 and 2021, January 1 to December 31.

Basis of Audit Opinion

The accountant performs the audit work in accordance with the accounting audit and certification financial statement rules and auditing standards. The accountant's responsibilities under these standards will be further explained in the responsibility section of the accountant's audit of the Consolidated financial report. The personnel of the accounting firm affiliated to the independence standard have maintained detached independence from the Southeast Group in accordance with the professional ethics of accountants and have performed other responsibilities of the standard. Based on the audit results of the accountants and the audit reports of other accountants, and the accountants believe that they have obtained sufficient and appropriate audit evidence to serve as the basis for expressing their audit opinion.

Critical Audit Matters

Critical audit matters are those matters that, in our professional judgment, are of most significance in the audit of the Year 2022 consolidated financial report of Southeast Group. These matters have been addressed in the process of reviewing the Consolidated financial report as a whole and forming audit opinions, and the accountant does not express opinions on these matters independently.

The Critical audit matters of the Year 2022 Consolidated financial report of the Southeast Group are described below:

1) Recognized Sales revenue

For the accounting policy of Revenue recognition, please refer to the Consolidated financial report attached Note 4(19); For the important accounting judgments, estimates and assumptions of Revenue recognition, please refer to the Consolidated financial report attached Note 5(1)2; For revenue recognition, please refer to Consolidated financial report Note 6(31).

Critical review items as description below:

In response to the audit process:

The main auditing procedures of our accountants include understanding and testing the effectiveness of internal control design and implementation related to cement sales revenue, sampling samples from the Sales details account, and verifying the relevant vouchers of transactions to verify the authenticity of revenue recognition. We also obtain post-period sales details and examine whether there are significant sales returns and discounts to confirm whether there are significant abnormalities in revenue recognition and perform sales revenue cut-off point testing.

Other Matters

Subsidiary and Investments using the equity method included in the above-mentioned Consolidated financial report, the financial report has not been checked by this accountant, but by other accountants. Therefore, in the opinions expressed by this accountant on the above-mentioned Consolidated financial report, the amounts listed in the financial reports of these companies are based on the audit report of other accountants. The total assets of these Subsidiary for Year 2022 and Dec. 31, 2021 are 84,248 thousand yuan and 87,068 thousand yuan respectively, each accounting for 0.70% and 0.79% of the total consolidated assets, and the total liabilities are 23,459 thousand yuan and 23,455 thousand yuan respectively, each accounted for 0.72% and 1.04% of the total consolidated liabilities; The Operating revenue of Year 2022 and 2021 is 233 thousand yuan and 114 thousand yuan respectively, each accounting for 0.01% and 0.01% of the consolidated Operating revenue, and the total comprehensive profit and loss are (2,824) thousand yuan and 5,100 thousand yuan respectively, each accounted for (3.48%) and 2.76% of the total consolidated comprehensive profit and loss; In addition, the amount of the Associates Investments using equity method in Year 2022 and Dec. 31, 2021 is 456,791 thousand yuan and 461,327 thousand yuan respectively, accounting for 3.81% and 4.21% of the total consolidated assets. For Year 2022 and 2021, the shares of Associates using the Equity method and joint venture profits and losses recognized are (956) thousand yuan and 18,336 thousand yuan respectively, accounting for (0.87%) and 12.30% of the consolidated pre-tax net profit respectively, the shares of Associates recognized by the Equity method and the other comprehensive income of the joint venture are (973) thousand yuan and 2,544 thousand yuan respectively, accounting for 3.61% and 4.99% of the Other comprehensive income Net amount respectively.

Southeast Cement Corp., Ltd. has prepared the individual financial report for Year 2022 and 2021, and the audit report issued by the accountant with unqualified opinion and other event paragraph is on file for reference.

Responsibilities of management and governance units for Consolidated financial report

The responsibility of the management is to prepare a Consolidated financial report with reasonable expression in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Announcements approved and issued by the Financial Supervisory Commission. and maintain the necessary internal control related to the preparation of the Consolidated financial report to ensure that the Consolidated financial report does not contain material misstatements caused by fraud or errors.

When preparing the Consolidated financial report, the responsibilities of the management also include assessing the ability of the Southeast Group to continue operating, the disclosure of related matters, and the adoption of the accounting basis for continuing operations, unless the management intends to liquidate the Southeast Group or cease operations, or there is no practical alternative to liquidation or cessation of operations.

The governance units (including the audit committee) of Southeast Cement Corp., Ltd. are responsible for supervising the financial reporting process.

The accountant's responsibility for reviewing the Consolidated financial report

The purpose of the accountant's inspection of the Consolidated financial report is to obtain reasonable confidence in whether there is a material misstatement in the Consolidated financial report that is caused by fraud or error, and to issue an audit report. Reasonable confidence means a high degree of confidence, however, there is no guarantee that the inspection work performed in accordance with the auditing standards will be able to detect material misstatements in the Consolidated financial report. Misstatements may be caused by fraud or errors. An individual amount or summary amount that is misstated is considered materiality if it could reasonably be expected to affect the economic decisions made by users of Consolidated financial statements.

When auditing in accordance with the auditing standards, the accountant uses professional judgment and professional skepticism. The accountant also performs the following tasks:

1. Identify and assess the risks of misstatement in the materiality of Consolidated financial statements that are attributable to fraud or error; design and implement appropriate countermeasures for the risks assessed; And obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. Since fraud may involve collusion, forgery, intentional omission, false statement or exceeding internal control, the risk of not detecting a material misstatement resulting from fraud is therefore higher than one resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit in order to design the appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of the Southeast Group.
3. Evaluate the appropriateness of accounting policies adopted by management and the rationality of the accounting estimates and relevant disclosures made.
4. Based on the audit evidence obtained, draw conclusions on the appropriateness of management's use of the going concern basis of accounting and whether there is a material uncertainty in events or circumstances that may cast significant doubt on the Southeast Group's ability to continue as a going concern. If we conclude that there is significant uncertainty about such events or circumstances, we are required to draw the attention of the Consolidated financial report users to the relevant disclosures in the audit report. Or revise the audit opinion when the disclosure is inappropriate. The conclusion of the accountant is based on the audit evidence obtained as of the date of the audit report. However, future events or conditions may cause the Southeast Group to no longer have the ability to continue operating.
5. Evaluate the overall presentation, structure, and content of the Consolidated financial report (including relevant notes), and whether the Consolidated financial report is appropriate to express relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities within the group to express opinions on the Consolidated financial report. The accountant is responsible for the guidance, supervision, and execution of the audit case, and is responsible for forming the audit opinion of the group.

The communication matters between the accountant and the governance unit include the planned scope and time of the audit, as well as significant audit findings (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with a statement that the personnel of the office to which the accountant is affiliated are subject to independence regulations have complied with the statement of independence in the code of professional ethics for accountants and

communicate with the governance unit about all relationships and other events that may be considered to affect the independence of accountants (including relevant safeguard measures).

From the communication matters with the governance unit, the accountant decides the Critical review items for the Southeast Group Year 2022 Consolidated financial report. The accountant describes these matters in the audit report, unless the law does not allow public disclosure of specific matters, or in extremely rare circumstances, the accountant decides not to communicate a particular matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the promotion of the public interest.

Crowe Horwath United Certified Public
Accountants

Accountant: Cai Shuman

Accountant: Li Qinglin

Approval number: Jinguanzheng Shenzi No.
10200032833

March 14, 2023

Southeast Cement Corp., Ltd. and Subsidiary

Consolidated Balance Sheet

Year 2022 and Dec. 31, 2021

Unit: NTD thousand

Code	Assets	Dec. 31, 2022		Dec. 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6(1))	\$ 296,374	2	\$ 419,504	4
1110	Financial assets at fair value through gain or loss-Current (Note 6(2))	557,515	5	248,685	2
1150	Notes receivable net amount (Note 6(3))	246,783	2	196,923	2
1170	Accounts receivable Net amount (Note 6(4))	93,861	1	110,157	1
1180	Accounts receivable-Net related party (Note 7)	34,243	–	34,424	–
1200	Other receivables (Note 6(5))	33,269	–	2,214	–
1220	Current income tax assets	444	–	502	–
130x	Inventory (Note 6(6))	1,016,152	9	841,074	9
1410	Prepayment (Note 6(7))	40,921	–	36,265	–
1476	Other financial assets-Current (Note 6(8))	164,540	1	161,625	1
1480	Incremental costs to obtain contracts-Current (Note 6(9))	2,000	–	2,000	–
11xx	Total Current assets	2,486,102	20	2,053,373	19
	Non-current assets				
1517	Financial assets measured at fair value via other comprehensive income-Non-current (Note 6(10))	1,233,829	11	1,259,476	11
1550	Investments using equity method (Note 6(11))	592,475	5	611,626	6
1600	Property, plant, and equipment (Note 6(12))	1,580,344	13	1,201,139	11
1755	Right-to-use assets (Note 6(13))	712,728	6	357,661	3
1760	Investment property Net amount (Note 6(14))	5,290,015	44	5,379,924	49
1780	Intangible assets (Note 6(15))	40	–	–	–
1840	Deferred tax assets (Note 6(37))	75,158	1	81,137	1
1920	Deposit guarantee (Note 6(16))	18,998	–	12,749	–
1990	Other Non-current assets-Other (Note 6(5))	–	–	1,415	–
15xx	Total Non-current assets	9,503,587	80	8,905,127	81
1xxx	Total assets	\$ 11,989,689	100	\$ 10,958,500	100

(Continued on next page)

(From previous page)

		Dec. 31, 2022		Dec. 31, 2021	
Code	Liability and Equity	Amount	%	Amount	%
Current debts					
2100	Short-term loan (Note 6(17))	\$ 1, 530, 000	13	\$ 1, 240, 000	11
2110	Short-term notes payable (Note 6(18))	419, 705	4	81, 969	1
2130	Contract liabilities-Current (Note 6(19))	18, 870	–	30, 532	–
2150	bill payable	1, 920	–	1, 696	–
2170	Accounts payable	250, 786	2	194, 523	2
2200	Other payables (Note 6(20))	89, 387	–	71, 665	1
2250	Liability reserve-Current (Note 6(21))	1, 441	–	1, 572	–
2280	Lease liability — Current (Note 6(13))	67, 398	–	52, 946	–
2300	Other current liabilities	1, 518	–	8, 528	–
21xx	Total other current liabilities	2, 381, 025	19	1, 683, 431	15
Non-current debts					
2570	Deferred tax liabilities (Note 6(37))	301, 448	3	304, 612	3
2580	Lease liability — Non-current (Note 6(13))	568, 720	5	235, 791	2
2645	Deposit guarantee (Note 6(23))	11, 828	–	23, 957	–
25xx	Total other non-current liabilities	881, 996	8	564, 360	5
2xxx	Total liability	3, 263, 021	27	2, 247, 791	20
Equity					
Vested in parent company’s equity					
3100	Share capital (Note 6(24))				
3110	Common share capital	5, 720, 008	48	5, 720, 008	52
3200	Capital surplus (Note 6(25))	188, 583	2	188, 373	2
3300	Retained earnings				
3310	Legal surplus reserve	1, 069, 712	9	1, 055, 689	10
3320	Special surplus reserve (Note 6(27))	810, 918	7	810, 918	7
3350	Unallocated surplus (Note 6(26))	330, 721	3	309, 626	3
3400	Other equity (Note 6(28))	523, 949	4	551, 296	5
3500	treasury stocks (Note 6(29))	(12, 185)	–	(12, 185)	–
31xx	Total vested in parent company’s equity	8, 631, 706	73	8, 623, 725	79
36xx	Non-controlled equity (Note 6(30))	94, 962	–	86, 984	1
3xxx	Total equity	8, 726, 668	73	8, 710, 709	80
	Total Liability and Equity	\$ 11, 989, 689	100	\$ 10, 958, 500	100

(Please refer to Consolidated financial report notes)

Chairman: Chen Minduan

Manager: Chen Guanhua

Accounting Supervisor: Huang Xinhan

Southeast Cement Corp., Ltd. and Subsidiary

Consolidated Gain or Loss Statement Year 2022 and 2021, January 1 to December 31

Unit: TD thousand

Code	Item	Year 2022		Year 2021	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(31))	\$ 1,794,015	100	\$ 1,846,785	100
5000	Operating cost (Note 6(6))	(1,672,736)	(93)	(1,712,217)	(93)
5900	Business gross profit (gross loss)	121,279	7	134,568	7
	Business expense				
6100	Selling expense	(28,258)	(2)	(35,069)	(2)
6200	Management costs	(124,859)	(7)	(90,452)	(5)
6450	Expected credit impairment benefit (expense) (Note 6(4))	339	-	3,007	-
6000	Total Business expense	(152,778)	(9)	(122,514)	(7)
6900	Business benefit (loss)	(31,499)	(2)	12,054	-
	Revenue outside business and expenses				
7100	Interest income (Note 6(33))	4,273	-	3,805	-
7010	Other income (Note 6(34))	184,094	10	108,504	6
7020	Other gains and losses (Note 6(35))	(38,448)	(2)	8,714	-
7050	Financial costs (Note 6(36))	(18,010)	(1)	(11,102)	-
7060	Equity method used to recognize shares of Associates and Joint ventures.	9,267	1	27,153	1
7000	Total Revenue outside business and expenses	141,176	8	137,074	7
7900	Pre-tax net profit (Net loss)	109,677	6	149,128	7
7950	Income tax benefit (Expense) (Note 6(37))	(1,553)	-	(15,317)	(1)
8200	Current net profit (Net loss)	108,124	6	133,811	6
	Other comprehensive income (Note 6(38))				
8310	Items no rearrange to gain or loss				
8316	Unrealized valuation gains or losses on investments in equity instruments measured at fair value via other comprehensive income	(25,105)	(1)	47,502	3
8320	Share of Other comprehensive income for Associates and Joint ventures recognized by the Equity method	(1,811)	-	3,513	-
8300	Other comprehensive income (Net amount)	(26,916)	(1)	51,015	3
8500	Total this period consolidated gain or loss	\$ 81,208	5	\$ 184,826	9
8600	Vested in Net profit (loss):				
8610	Parent company owner (Net Profit/Loss)	\$ 149,043	8	\$ 139,985	6
8620	Non-controlled equity (Net Profit/Loss)	(40,919)	(2)	(6,174)	-
		\$ 108,124	6	\$ 133,811	6
8700	Total consolidated gain or loss vested in:				
8710	Parent company owner (Consolidated gain or loss)	\$ 122,171	7	\$ 191,010	9
8720	Non-controlled equity (Consolidated gain or loss)	(40,963)	(2)	(6,184)	-
		\$ 81,208	5	\$ 184,826	9
	Earnings per share				
9750	Basic EPS (Note 6(39))	\$ 0.26		\$ 0.25	
9850	Diluted EPS (Note 6(39))	\$ 0.26		\$ 0.25	

(Please refer to Consolidated financial report notes)

Chairman: Chen Minduan

Manager: Chen Guanhua

Accounting Supervisor: Huang Xinhan

Southeast Cement Corp., Ltd. and Subsidiary

Consolidated Equity Changes Statement
Year 2022 and 2021, January 1 to December 31

Unit:NTD thousand

	Vested in parent company's equity									
	Retained earnings					Other equity items				
	Common share capital	Capital surplus	Legal surplus reserve	Special surplus reserve	Unallocated surplus	Financial assets measured at fair value via other comprehensive income Unrealized valuation (Loss) Gain	treasury stocks	Vested in parent company owner total equity	Non-controlled equity	Total equity amount
Jan. 1, 2021 Balance	\$ 5,720,008	\$ 188,267	\$ 1,052,057	\$ 810,918	\$ 230,224	\$ 500,520	\$ (12,185)	\$ 8,489,809	\$ 58,910	\$ 8,548,719
Surplus allocation and distribution:										
Provision for Legal surplus reserve	-	-	3,632	-	(3,632)	-	-	-	-	-
Common stock cash dividend	-	-	-	-	(57,200)	-	-	(57,200)	-	(57,200)
Year 2021 Net profit (Net loss)	-	-	-	-	139,985	-	-	139,985	(6,174)	133,811
Year 2021 Other comprehensive income	-	-	-	-	(5)	51,030	-	51,025	(10)	51,015
Year 2021 Total consolidated gain or loss	-	-	-	-	139,980	51,030	-	191,010	(6,184)	184,826
Adjustment of dividends paid to subsidiaries' Capital surplus	-	106	-	-	-	-	-	106	-	106
Non-controlled equity Increase/Decrease	-	-	-	-	-	-	-	-	34,258	34,258
Disposal via Other comprehensive income as Fair value Measured Equity Instruments	-	-	-	-	254	(254)	-	-	-	-
Dec. 31, 2021 Balance	5,720,008	188,373	1,055,689	810,918	309,626	551,296	(12,185)	8,623,725	86,984	8,710,709
Surplus allocation and distribution:										
Provision for Legal surplus reserve	-	-	14,023	-	(14,023)	-	-	-	-	-
Common stock cash dividend	-	-	-	-	(114,400)	-	-	(114,400)	-	(114,400)
Year 2022 Net profit (Net loss)	-	-	-	-	149,043	-	-	149,043	(40,919)	108,124
Year 2022 Other comprehensive income	-	-	-	-	-	(26,872)	-	(26,872)	(44)	(26,916)
Year 2022 Total consolidated gain or loss	-	-	-	-	149,043	(26,872)	-	122,171	(40,963)	81,208
Adjustment of dividends paid to subsidiaries' Capital surplus	-	210	-	-	-	-	-	210	-	210
Non-controlled equity Increase/Decrease	-	-	-	-	-	-	-	-	48,941	48,941
Disposal via Other comprehensive income as Fair value Measured Equity Instruments	-	-	-	-	475	(475)	-	-	-	-
Dec. 31, 2022 Balance	\$ 5,720,008	\$ 188,583	\$ 1,069,712	\$ 810,918	\$ 330,721	\$ 523,949	\$ (12,185)	\$ 8,631,706	\$ 94,962	\$ 8,726,668

(Please refer to Consolidated financial report notes)

Chairman: Chen Minduan

Manager: Chen Guanhua

Accounting Supervisor: Huang Xinhan

Southeast Cement Corp., Ltd. and Subsidiary

Consolidated Cash Flow Statement Year 2022 and 2021, January 1 to December 31

Unit: NTD thousand

Item	Year 2022	Year 2021
Cash flows from operating activities		
Net profit (loss) before tax for the period	\$ 109,677	\$ 149,128
Adjustments		
Income and expense items		
Depreciation expense	102,851	74,503
Amortized expense	16	23
Expected credit impairment losses (gain)	(339)	(3,007)
Net loss (gain) on financial assets and liabilities at fair value through gain or loss	40,117	(18,033)
Interest expense	18,010	11,102
Interest income	(4,273)	(3,805)
Dividend income	(54,256)	(51,560)
Share of subsidiaries, affiliates and joint venture profit recognized under the equity method	(9,267)	(27,153)
Financial assets Impairment loss	702	-
Non-financial assets Impairment loss	6,974	-
Lease modification gain	-	(232)
Other item	210	106
Total gain or loss on revenue items	100,745	(18,056)
Changes in assets/liabilities related to operating activities		
Net change in assets related to operating activities		
Mandatory (increase) decrease in financial assets at fair value through gain or loss	(348,947)	2,015
Notes receivable (increase) decrease	(50,092)	90,751
Accounts receivable (increase) decrease	19,482	(15,035)
Other receivables (increase) decrease	(30,514)	4,717
Inventory (increase) decrease	(176,152)	40,976
Prepayment (increase) decrease	(4,098)	31,875
Other financial assets (increase) decrease	(2,915)	12,973
Incremental costs to obtain contracts (increase) decrease	-	3,842
Total net change in assets related to operating activities	(593,236)	172,114
Net change in liabilities related to operating activities		
Contract liabilities increase (decrease)	(12,331)	(59,893)
Bill payables increase (decrease)	224	(102)
Accounts payable increase (decrease)	56,263	(29,331)
Other payables increase (decrease)	714	3,957
Liability reserve increase (decrease)	(131)	19
Other current liabilities increase (decrease)	(7,010)	(5,266)
Total net change in liabilities related to operating activities	37,729	(90,616)

(Continued on next page)

(From previous page)

Item	Year 2022	Year 2021
Total net changes in assets and liabilities related to business activities	\$ (555, 507)	\$ 81, 498
Total adjusted items	(454, 762)	63, 442
Cash inflow from operations (outflow)	(345, 085)	212, 570
Interest charged	3, 747	3, 627
Dividend received	80, 863	61, 246
Interest paid	(17, 483)	(10, 853)
Income tax refunded (paid)	1, 320	14
Net cash inflow from operating activities (outflow)	(276, 638)	266, 604
Investment activities' cash flow		
Obtain Financial assets measured at fair value via other comprehensive income	-	(39, 164)
Disposal Financial assets measured at fair value via other comprehensive income	542	4, 635
Financial assets measured at fair value via other comprehensive income Capital reduction refund	-	1, 478
Acquisition of Subsidiary (net of cash received)	882	-
Obtain Property, plant, and equipment	(193, 207)	(933, 647)
Deposit guarantees increase	(6, 243)	(2, 631)
Obtain Intangible assets	(56)	-
Obtain Right-to-use assets	(23, 947)	(55, 091)
Obtain Investment property	(114, 286)	(1, 434)
Long-term Rental receivable decrease	1, 400	1, 384
Net cash inflows from investing activities(outflow)	(334, 915)	(1, 024, 470)
Financing activities cash flow		
Short-term loan increase	290, 000	1, 005, 000
Short-term notes payable increase	338, 000	82, 000
Deposit guarantees decrease	(12, 129)	-
Lease principal repayment	(61, 989)	(63, 431)
Issue Cash dividend	(114, 400)	(57, 200)
Non-controlled equity variation	48, 941	34, 258
Net cash inflow from financing activities(outflow)	488, 423	1, 000, 627
Increase (decrease) of cash and cash equivalents in this period	(123, 130)	242, 761
Opening balance Cash and cash equivalents	419, 504	176, 743
End-period Cash and Cash equivalents balance	\$ 296, 374	\$ 419, 504

(Please refer to Consolidated financial report notes)

Chairman: Chen Minduan Manager: Chen Guanhu Accounting Supervisor: Huang Xinhan

Southeast Cement Corp., Ltd. and Subsidiaries

Consolidated Financial Report Notes

Year 2022 and 2021, January 1 to December 31

(Unless otherwise specified, all amounts are in NTD thousand)

I. Company history

Southeast Cement Corp., Ltd. (hereafter referred to as the Company) was established in December 1956 with the main business items of manufacturing and selling cement, furnace stone powder, processed cement products, and ready-mixed concrete.

For the main business activities of the Company and its subsidiaries (hereafter referred to as the Group), please refer to Note 4(3)2 as the description. The Company is the ultimate parent company of the Group.

The Consolidated Financial Statements are presented in New Taiwan dollars, the functional currency of the Company.

II. Dates and Procedures for Approval of Financial Reports

This Consolidated financial report was approved by the Board of Directors and issued on March 14, 2023.

III. Application of New-issued and Revised Standards and Interpretations

(I) The effect of adopting the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereafter referred to as "IFRSs") recognized and issued by the Financial Supervisory Commission (hereafter referred to as the "FSC"):

The following table summarizes the new-issued, amendment, revised standards and interpretations of the applicable International Financial Reporting Standards for Year 2022 approved by the FSC:

New-issued/amended/revised standards and interpretations	Effective date of IASB releases (Note 1)
Amendments to IAS 16 "Property, Plant and Equipment: Prices before reaching the intended state of use"	January 1, 2022 (Note 2)
Amendments to IAS 37 "Onerous Contracts - Costs of Performing Contracts"	January 1, 2022 (Note 3)
Amendments to IFRS 3 "References to Conceptual Frameworks"	January 1, 2022 (Note 4)
Annual Improvements to IFRS 2018-2020	

(Note 1) Unless otherwise specified, the above-mentioned New-issued/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective dates.

(Note 2) The enterprise shall apply the amendments retrospectively, but only to items of property, plant and equipment that have reached the location and condition

necessary to comply with management's intended mode of operation after the earliest period start date (January 1, 2021) as expressed in the financial statements of the enterprise to which the amendments are first applied.

(Note 3) This amendment applies to contracts that have not fulfilled all obligations on January 1, 2022.

(Note 4) This amendment applies to Business consolidated whose acquisition date begins after January 1, 2022, during the annual reporting period.

(Note 5) The amendment to IFRS 9 applies to exchanges or modifications of the terms of financial liabilities occurring in annual reporting periods beginning after January 1, 2022; the amendment to IAS 41 applies to fair value measurements in annual reporting periods beginning after January 1, 2022; and the amendment to IFRS 1 applies retrospectively to annual reporting periods beginning after January 1, 2022.

1. Amendments to IAS 16 "Property, Plant and Equipment: Prices before reaching the intended state of use".

The amendment provides that the sales price of items of property, plant, and equipment produced to bring them to the location and condition necessary for them to meet management's intended mode of operation shall not be a deduction from the cost of the asset. The abovementioned output should be measured in accordance with IAS 2 "Inventories", and the sales price and cost should be recognized in gain or loss in accordance with the applicable standard. In addition, the amendment clarifies that the cost of testing whether an asset is in working order is the cost of assessing whether the technical and physical properties of the asset are sufficient to enable it to be used for the production or supply of goods or services, for rental to others or for management purposes.

The amendment applies to property, plant, and equipment in the location and condition necessary to achieve management's intended mode of operation after January 1, 2021 (the beginning of the earliest period presented). The Group will recognize the cumulative effect of the initial application of the amendments as an adjustment to the opening balance of retained earnings (or other compositions of equity, if applicable) as of the beginning of the earliest period presented and will restate the information for the comparative period.

2. Amendments to IAS 37 "Onerous Contracts - Costs of Contract Performance"

The amendment clarifies that when assessing whether a contract is onerous, the "Costs of Contract Performance" should include the incremental cost of fulfilling the contract (e.g., direct labor and materials) and the apportionment of other costs directly

related to the fulfillment of the contract (e.g., the allocation of depreciation expense for items of property, plant, and equipment used in the performance of the contract).

3. Amendments to IFRS 3 "References to Conceptual Framework"

The amendment updates the index to the Conceptual Framework and adds a new requirement that the acquirer should apply IFRIC 21 "Levies " to determine whether there is an obligation to incur a levies payment liability at the date of acquisition.

4. Annual Improvements to IFRS 2018-2020

The annual improvements to IFRS 2018-2020 include amendments to certain criteria, including an amendment to IFRS 9 to assess whether the exchange or modification of the terms of a financial liability has a major difference by comparing the discounted cash flow value of the terms of the old and new contracts, if there is a difference of 10% (including the net amount of fees charged for signing a new contract or modifying a contract), the aforementioned receipt and payment shall only include the receipt and payment between the borrower and the lender.

The Group has assessed that the above criteria and interpretation do not have a significant influence on the Group's financial position and financial performance.

(II) The effect of the new-issued and revised International Financial Reporting Standards approved by the Financial Supervisory Commission (FSC):

The following table summarizes the new-issued, revised and revised standards and interpretations of the applicable IFRSs in 2023 approved by the Financial Supervisory Commission.

New-issued/amended/revised standards and interpretations	Effective date of IASB releases
Amendments to IAS 1 "Disclosure of Accounting Policies"	Jan. 1st, 2023(Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	Jan. 1st, 2023(Note 2)
Amendments to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	Jan. 1st, 2023(Note 3)

(Note 1) This amendment is effective for annual reporting periods beginning after January 1, 2023.

(Note 2) The amendment applies to changes in accounting estimates and changes in accounting policies for annual reporting periods beginning after January 1, 2023.

(Note 3) This amendment applies to transactions occurring after the start date of the earliest comparative period expressed (January 1, 2022), except as otherwise provided for by temporary differences related to lease and decommissioning obligations.

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

This amendment clarifies that when a transaction, other event or situation is significant in scale or nature, and its related accounting policy information is also significant to the financial report, such relevant significant accounting policy information should be disclosed. Conversely, if the enterprise judges that the scale or nature of a transaction, other event or situation is not significant, or the accounting policy information related to it is not significant. It is not necessary to disclose such insignificant accounting policy information, but the enterprise's conclusion that the accounting policy information is insignificant does not affect the relevant disclosures required by other IFRS standards.

2. Amendments to IAS 8 "Definition of Accounting Estimates"

The amendment defines an accounting estimate as a monetary amount in the financial statements that are affected by measurement uncertainty and provides further clarification that the effect of a change in an input or measurement technique on an accounting estimate is a change in an accounting estimate, except when it is due to a correction of a prior period error.

3. Amendments to IAS 12, "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction"

This amendment limits the recognition exemption for deferred income tax liabilities and assets under paragraphs 15 and 24 of IAS 12. The exemption does not apply if the taxable temporary differences arising from a single transaction at initial recognition are the same as the deductible temporary differences. Upon first application of this amendment, an enterprise should recognize deferred income tax on all temporary differences related to leases and ex-service obligations at the beginning of the earliest comparative period expressed (January 1, 2022) and recognize the cumulative effect as an adjustment to the initial balance of retained earnings (or other components of equity, as appropriate) at that date. This amendment shall be deferred for other transactions occurring after January 1, 2022. When the Group applies this amendment for the first time, it shall recompile the comparative period information.

The Group has assessed that the above criteria and interpretation do not have a significant influence on the Group's financial position and financial performance.

(III) The impact of the International Financial Reporting Standards issued by the International Accounting Standards Board but not yet approved by the FSC:

The following table presents the new-issued, amended, and revised standards issued by the IASB but not yet endorsed by the FSC and the impact of those standards:

New-issued/amended/revised standards and interpretations	Effective date of IASB releases
Amendments to IFRS 10 and IAS 28 "Asset Sale or Contribution between Investors and Associates or Joint Ventures"	Undecided
IFRS 17 "Insurance Contracts"	Jan. 1st, 2023
Amendments to IFRS 17	Jan. 1st, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	Jan. 1st, 2023
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	Jan. 1st, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	Jan. 1st, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	Jan. 1st, 2024

As of the date of this Consolidated financial report, the Group is still evaluating the impact of the above standards and interpretations on the Group's financial position and financial performance, which will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these Consolidated financial statements are described below. Unless otherwise stated, these policies have been applied consistently throughout the reporting period.

(I) Compliance Statement

This Consolidated financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers.

(II) Compilation basis

1. Except for the following important items, this Consolidated financial report is prepared at historical cost:
 - (1) Financial assets and liabilities (including derivative instruments) at fair value through gain or loss.
 - (2) Financial assets and liabilities at fair value via other comprehensive gain or loss.
 - (3) Liabilities for cash-settled, share-based payment agreements measured at fair value.
2. The compilation of Consolidated financial statements in conformity with IFRSs recognized by the FSC requires the use of certain critical accounting estimates. The application of the Group's accounting policies also requires management to exercise its judgment, which involves items of a highly judgmental or complex nature, or items that involve significant assumptions and estimates in the Consolidated financial statements, as described in Note 5.

(III) Consolidation basis

1. Consolidated financial report preparation principles:
 - (1) The Group incorporates all subsidiaries into the entities prepared in the Consolidated financial report. Subsidiary refers to entities controlled by the

- Group (including structured entities), and the Subsidiary is controlled by the Group while the Group is exposed to, or has rights to, variable remuneration from its participation in the entity, and has the ability to affect those remuneration through power over that entity, the Group controls that entity. Subsidiaries are included in the Consolidated financial statements from the date the Group obtains control, and the consolidation is terminated on the date of loss of control.
- (2) Intra-group transactions, balances and unrealized gains and losses have been eliminated. Subsidiary's accounting policies have been adjusted as necessary to be consistent with those adopted by the Group.
 - (3) The components of profit or loss and other comprehensive income are vested in the owners of the parent company and non-controlled equity; Total consolidated gain or loss is also vested in the owner of the parent company and non-controlled equity, even if it results in a loss balance of non-controlled equity.
 - (4) If the change of the subsidiary's shareholding does not lead to the loss of control (transaction with non-controlled equity), it is treated as an equity transaction, that is, it is regarded as a transaction with the owner. The difference between the adjusted amount of non-controlled equity and the Fair value of the consideration paid or received is recognized directly in equity.
 - (5) When the group loses control over the subsidiary, the remaining investment in the former subsidiary is remeasured at Fair value, and as the Fair value of the originally recognized Financial assets or the cost of the originally recognized investment in Associates or Joint ventures, the difference between the Fair value and the Carrying amount is recognized as current profit or loss. For all amounts related to the subsidiary previously recognized other comprehensive income, its accounting treatment is the same as the basis of the Group's direct disposal of related assets or liabilities, that is, if the profit or loss previously recognized as Other comprehensive income will be rearranged as profit or loss when disposing of the relevant assets or liability, then when the control of the subsidiary is lost, the benefit or loss will be rearranged from the equity as profit or loss.

2. The subsidiaries included in the Consolidated financial report are as follows:

Investment company/Subsidiary	Main business items	Shareholding or Capital contribution ratio	
		2022.12.31	2021.12.31
A. Southeast Cement Corp.			
Southeast Investment Co.	Reinvestment business	99.29%	99.29%
Southeast Paper Manufacturing Co.	Real estate leasing (Note 1)	49.71%	49.71%
Dongni Construction Co. (Note 2)	Residential and building development leasing and sales	100.00%	100.00%
Southeast Gaoliang Resources Recycling Co.	Ready-mix concrete manufacturing	50.00%	50.00%
Southeast Miller International Co.	Real estate leasing	50.00%	-
Da Yang Construction Co.	construction industry	100.00%	-
B. Southeast Investment Co.			
Southeast Gaoliang Resources Recycling Co.	Ready-mix concrete manufacturing	1.00%	1.00%
Southeast Miller International Co.	Real estate leasing	1.00%	-

Note 1: The Parent Company acquired control over Southeast Paper Manufacturing Co. by appointing its personnel as the General Manager of Southeast Paper Manufacturing Co.

Note 2: Formerly known as Southeast Asset Development Co.

(1) Year 2022 and 2021, the Subsidiaries included in the above-mentioned Consolidated financial report are audited by other accountants.

(2) Consolidation of Subsidiary increase/decrease:

The Group invested in the establishment of Southeast Miller International Co. in April of Year 2022, has control over it, and included it in the preparation of consolidated financial statements for the first time in Year 2022.

The Group invested in and held Da Yang Construction Co. in December of Year 2022, and has control over it, which was included in the consolidated financial statements for the first time in Year 2022.

3. Subsidiaries not included in the Consolidated financial report: None.

4. Adjustments and handling methods for different accounting periods of subsidiaries: None.

5. Significant restrictions: None.

6. Subsidiaries holding securities issued by the parent company: please refer to Note 6 (29) as description.

7. Information on subsidiaries with significant Non-controlled equity:

Subsidiary name	Shareholding ratio	Dec. 31, 2022	
		Noncontrolled equity	Gain or loss allocated to Noncontrolled equity
Southeast Gaoliang Resources Recycling Co.	49%	\$ 67,262	\$ (4,424)
Southeast Miller International Co.	49%	12,637	(36,363)
Others		15,063	(132)
Total		\$ 94,962	\$ (40,919)

Subsidiary name	Shareholding ratio	Dec. 31, 2021	
		Noncontrolled equity	Gain or loss allocated to Noncontrolled equity
Southeast Gaoliang Resources Recycling Co.	49%	\$ 71,686	\$ (6,438)
Others		15,298	264
Total		\$ 86,984	\$ (6,174)

(1) National information of the above listed Subsidiary's principal place of business and company registration, please refer to Note 13.

(2) Summarized financial information is as follows:

A. Assets Liability list:

Item	Southeast Gaoliang Resources Recycling Co.	
	Dec. 31, 2022	Dec. 31, 2021
Current assets	\$ 110,994	\$ 48,382
Non-current assets	516,677	291,033
Current debts	224,618	63,004
Non-current debts	265,784	130,112
Equity	\$ 137,269	\$ 146,299

Item	Southeast Miller International Co.	
	Dec. 31, 2022	
Current assets	\$	75,411
Non-current assets		2,596,931
Current debts		111
Non-current debts		2,646,440
Equity	\$	25,791

B. Consolidated Gain or Loss Statement:

	Southeast Gaoliang Resources Recycling Co.	
	Year 2022	Year 2021
Revenue	\$ 198,664	\$ 42,191
Current net profit	\$ (9,029)	\$ (13,139)
Other comprehensive income (Net after-tax)	-	-
Total this period consolidated gain or loss	\$ (9,029)	\$ (13,139)
Net profit vested in Noncontrolled equity	\$ (4,424)	\$ (6,438)
Total consolidated gain or loss vested in Noncontrolled equity	\$ (4,424)	\$ (6,438)
Dividends paid to Noncontrolled equity	\$ -	\$ -

	Southeast Miller International Co.	
	Year 2022	
Revenue	\$	-
Current net profit	\$	(74,209)
Total this period consolidated gain or loss	\$	(74,209)
Net profit vested in Noncontrolled equity	\$	(36,363)
Total consolidated gain or loss vested in Noncontrolled equity	\$	(36,363)

Dividends paid to Noncontrolled equity

\$ -

C. Cash flow statement:

	Southeast Gaoliang Resources Recycling Co.	
	Year 2022	Year 2021
Net cash inflow from operating activities(outflow)	\$ (17, 784)	\$ (25, 197)
Net cash inflows from investing activities(outflow)	(91, 997)	(80, 345)
Net cash inflow from financing activities(outflow)	112, 353	106, 617
Increase (decrease) of cash and cash equivalents in this period	\$ 2, 572	\$ 1, 075
Opening balance Cash and cash equivalents balance	1, 662	587
End-period Cash and Cash equivalents balance	\$ 4, 234	\$ 1, 662

	Southeast Miller International Co.	
	Year 2022	
Net cash inflow from operating activities(outflow)	\$	(52, 305)
Net cash inflows from investing activities(outflow)		(24, 000)
Net cash inflow from financing activities(outflow)		77, 512
Increase (decrease) of cash and cash equivalents in this period	\$	1, 207
End-period Cash and Cash equivalents balance	\$	1, 207

(IV) Foreign Currency Conversion

1. Items listed in the Financial Statements of each entity in the Group are measured in the currency of the primary economic environment in which the entity operates (i.e., the functional currency). The Consolidated Financial Statements are presented using the company's functional currency "New Taiwan Dollar" as the expression currency.
2. When preparing the individual Financial Statements of each consolidated entity, transactions in currencies other than the individual's functional currency (foreign currency) are recognized at the exchange rate on the transaction day. At the end of the reporting period, foreign currency monetary items are reconverted at the spot exchange rate on that day, and the exchange difference occurs in the current

Recognized gain or loss. The foreign currency non-monetary items measured by Fair value are converted at the exchange rate on the day when the Fair value is determined, and the resulting exchange difference is listed as the current year's gain and loss, for Fair value variation as the recognized Other comprehensive income, the resulting exchange difference is listed in Other comprehensive income. Non-monetary items in foreign currency measured by historical cost are converted at the exchange rate on the transaction date and will not be re-converted.

3. For the purpose of preparing Consolidated Financial Statements, the assets and liabilities of foreign operating institutions are converted into New Taiwan dollars at the spot exchange rate at the end of the reporting period; Income and expense items are converted at the current average exchange rate, and the resulting exchange difference is recognized as Other comprehensive income, and is accumulated under the equity item as the exchange difference converted by the Financial Statements of foreign operating institutions (and properly allocated to Non-controlled equity) .

(V) Criteria for distinguishing between Current and Non-current assets and liabilities

1. Manufacturing department:

- (1) Assets that meet one of the following conditions are classified as Current assets:

- A. The asset is expected to be realized in the normal cycle of business or is intended to be sold or consumed.
- B. Holders primarily for transaction purposes.
- C. It is expected to be realized within 12 months after the Balance sheet date.
- D. Cash or Cash equivalent, except for those that are used for exchange, liquidation of liabilities or other restrictions more than 12 months after the Balance sheet date.

The Group classifies all assets that do not meet the above conditions as Non-current.

- (2) Liabilities that meet one of the following conditions are classified as Current debts:

- A. Expected to be settled in the normal business cycle.
- B. Holders primarily for transaction purposes.
- C. Those who must be repaid within 12 months after the Balance sheet date.
(Even if the Long-term refinancing or rescheduled payment agreement has been completed after the Balance sheet date and before the release of the financial report, it is also Current debts).
- D. Those who cannot unconditionally extend the repayment period to at least 12 months after the Balance sheet date. The terms of the liability, which may, at the option of the counterparty, result in liquidation through the issuance of equity instruments do not affect its classification.

The Group classifies all liabilities that do not meet the above conditions as Non-current.

2. Construction Department:

The business cycle of contracted construction projects and building sales is usually longer than one year, so the assets and liabilities related to the construction business are classified as current or non-current based on the business cycle as standard.

For the construction part of external contracting, its business cycle is usually longer than one year, so the assets and liabilities related to the construction business. It is based on the business cycle as the standard for dividing Current or Non-current.

(VI) Cash and cash equivalents

Cash and Cash equivalents include Cash on hand, Bank savings and short-term and highly liquid investments that can be converted into fixed cash at any time and have a very small value risk variation (including fixed deposits with an original maturity date within three months).

(VII) Financial Instruments

Financial assets and financial debts are recognized when the Group becomes a party to the contractual provisions of the financial instruments.

On initial recognition, the financial assets and Financial debts are measured at fair value. At the time of original recognition, it can be directly vested in the Financial assets and Financial debts (except for Financial assets and Financial debts classified as Financial assets at fair value through gain or loss) so as to obtain or issue transaction costs shall be added or deducted from the Fair value of the financial assets or financial debts. The transaction costs of Financial Assets and Financial Debts that can be directly vested in financial assets at fair value through gain or loss are immediately regarded as Recognized gain or loss.

1. Financial assets

(1) Measurement type

Financial assets are regularly recognized on a transaction date basis.

The types of financial assets held by the Group are Financial assets at fair value through gain or loss, Financial assets measured by post-amortized cost, and equity instrument investments via Other comprehensive income measured at fair value.

A. Financial assets at fair value through gain or loss

Financial assets at fair value through gain or loss include mandatory financial assets at fair value through gain or loss and financial assets designated as Financial assets at fair value through gain or loss. Financial assets that are mandatory to be financial assets at fair value through gain or loss include equity instrument investments not designated by the Group via

Other comprehensive income measured at fair value, and do not meet the classification as Measured by post-amortized cost or Investments in debt instruments measured at fair value via other comprehensive income.

When Financial assets meet one of the following conditions, the Group designates them as financial assets at fair value through gain or loss at the time of original recognition:

- a. is a hybrid (combined) contract; or
- b. eliminates or significantly reduce measurement or recognition inconsistencies; or
- c. It is an investment that manages and evaluates its performance on the basis of Fair value in accordance with written risk management or investment strategies.

Financial assets at fair value through gain or loss financial assets are measured at fair value, the dividends generated are recognized in other revenue, interest and the resulting gains or losses are re-measured and it is the recognized other gains and losses. How to determine Fair value, please refer to Note 12.

B. Via Other comprehensive income measured at fair value equity instrument for investment.

In time of original recognition, the Group may make an irrevocable choice to designate an equity instrument investment that is not held for trading and recognized as a contingent consideration by a business consolidated acquirer as via other comprehensive income measured at fair value.

Via Other comprehensive income measured at fair value equity instrument investment is measured at fair value, subsequent Fair value variation is reported in Other comprehensive income and accumulated in other equity. Upon disposal of investments, the cumulative gain or loss under other equity is transferred directly to Retained earnings and is not recognized as profit or loss.

Through other comprehensive income measured at fair value, dividends from investments in equity instruments are recognized as gain or loss when the Group's right to receive them is established, unless the dividends are clearly representative of a partial recovery of the cost of the investment.

C. Financial assets measured by post-amortized cost

If the Group's investment in financial assets meets the following two conditions at the same time, it will be classified as Financial assets measured by post-amortized cost:

- (A) is held under an operating mode whose purpose is to hold financial assets to receive contract cash flow; and

(B) the terms of the contract generate a cash flow on a specific date, which is solely for the payment of principal and interest on the outstanding principal amount.

Financial assets measured by post-amortized cost are measured by the Total carrying amount determined by the effective interest method minus any Amortized cost of Impairment loss after the initial recognition, and any foreign currency exchange gain or loss is the Recognized gain or loss.

Except for the following two cases, Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

(a) For credit-impaired financial assets purchased or created, Interest income is calculated by multiplying the credit-adjusted effective interest rate by the Amortized cost of Financial assets.

(b) For financial assets that are not credit-impaired by purchase or creation, but subsequently become credit-impaired, the interest revenue is calculated by multiplying the effective interest rate by the Amortized cost of financial assets.

(2) Impairment of financial assets

- A. The Group assesses the Impairment loss of financial assets (including Accounts receivable) measured by post-amortized cost, Investments in debt instruments measured at fair value via other comprehensive income, Rental receivable and Contract assets based on expected credit losses on each Balance sheet date.
- B. Both Accounts receivable and Rental receivable are recognized as Allowance for losses according to Expected credit losses during the period of existence. Other financial assets first assess whether the credit risk has increased significantly since the original recognition, if there is no significant increase, Allowance for losses will be recognized as 12-month expected credit losses; if there has been a significant increase, Allowance for losses will be recognized as Expected credit losses during the period of existence.
- C. The expected credit loss is the weighted average of credit loss based on the risk of default. The 12-month expected credit loss represents the expected credit loss of a financial instrument that may default within 12 months after the reporting date. Expected credit losses during the period of existence represent the expected credit losses arising from all possible default events of financial instruments during the expected duration.
- D. The Impairment loss of all financial assets is to reduce their Carrying amount through the allowance account, but the Allowance for losses of Investments in debt instruments measured at fair value via other comprehensive income is Recognized other comprehensive income and does not reduce their Carrying amount.

(3) Derecognition of financial assets

The Group will derecognize financial assets when one of the following situations is met:

- A. The contractual rights to receive cash flows from the financial assets lapse.
- B. The contractual rights to receive cash flows from the financial assets are transferred and substantially all the risks and rewards of ownership of the financial assets have been transferred.
- C. Neither the transfer nor the retention of substantially all the risks and rewards of ownership of a financial asset, except that control over the financial asset is not retained.

When Financial assets measured by post-amortized cost are de-recognized as a whole, the difference between the carrying amount and the consideration received is Recognized gain or loss. When Investments in debt instruments measured at fair value via other comprehensive income are delisted as a whole, the difference between the Carrying amount and the sum of any accumulated benefits or losses that have been received plus Recognized Other comprehensive income is Recognized gain or loss. When the equity instrument investment via other comprehensive income measured at fair value is delisted as a whole, the accumulated gains and losses are directly transferred to retained earnings and are not rearranged as gains and losses.

2. Equity instrument

Debt and equity instruments issued by the Group are classified as financial liabilities or equity according to the definition of substantial and financial debts and equity instruments in contractual agreements. Equity instrument is any contract that recognizes the remaining interest of a business in its assets less all of its liabilities. Equity instruments issued by the Group are recognized at the amount obtained after deducting the direct issuance costs.

3. Financial debts

(1) Subsequent measurement

Financial debts that are not held for trading purposes and are not designated as financial assets at fair value through gain or loss are measured by post-amortized cost at the end of the subsequent accounting period end-date.

(2) Derecognition of Financial assets

The Group derecognizes financial debts only when the obligations are discharged, canceled, or lapsed. When derecognizing financial debts, the difference between the Carrying amount and the total consideration paid or payable (including any transferred non-cash assets or assumed liabilities) is the Recognized gain or loss.

4. Modification of financial instruments

When the contract cash flow of a financial instrument is renegotiated or modified, if the financial instrument should not be derecognized, then the Group recalculates the Amortized cost of the Total carrying amount or financial debts of Financial assets by discounting the modified contract cash flow at the original effective interest rate, and changes the profit or loss to Recognized gain or loss; The incurred cost or expense is regarded as the adjustment of the Carrying amount of the modified financial instrument, and is amortized in the remaining period after the modification. If the renegotiation or modification leads to derecognition of the financial instrument, it shall be handled in accordance with the derecognition regulations.

(VIII) Inventory

1. Manufacturing department:

Inventories are measured on the basis of the lower of cost and net realizable value, and the perpetual inventory system is adopted, and the cost is determined by the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs and manufacturing expenses related to production (shared according to normal production capacity) but does not include borrowing costs. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal course of business minus the estimated cost to be invested until completion and the balance after the estimated costs necessary to complete the sale.

2. Construction department:

Inventories are measured at the lower of cost or net realizable value. Cost includes the acquisition costs necessary to bring the inventory to the location and condition in which it is available for use and the capitalized costs of borrowings.

Net realizable value refers to the estimated selling price under normal business conditions minus the estimated cost to be invested to complete the project and the estimated cost to complete the sale. The method of determining the net realizable value is as follows:

- (1) Construction land: The net realizable value is calculated by referring to the management authority's prevailing market price and deducting the costs and sales expenses that need to be invested until completion or based on the most recent market value (development analysis method or comparative method).
- (2) Construction in progress: The net realizable value is calculated based on the estimated selling price (the current market conditions) minus the costs to be invested until completion and sales expenses.
- (3) Properties for sale: The net realizable value is the estimated selling price (estimated by reference to the prevailing market conditions by the management) minus the estimated costs and selling expenses incurred in selling the properties.

(IX) Investments using equity method — Associates

1. Associates refer to all the entities that the Group has significant influence on but not controlled, and usually directly or indirectly hold more than 20% of its shares with voting rights. The Group's investment in Associates is handled by the Equity method and recognized at cost when acquired.
2. The Group recognizes the share of profit and loss acquired by Associates as current profit and loss, and the share of other comprehensive income acquired by the Group as other comprehensive income. If the Group's share of losses on any Associates is equal to or exceeds its interest in the Associates (including the carrying amount of the Associates investment determined by the Equity method and any Long-term equity that substantially constitutes part of the Group's net investment in Associates), the Group does not recognize further losses unless the Group has a legal or constructive obligation to the Associates or has made payments on its behalf.
3. Unrealized gains and losses generating from transactions between the Group and Associates have been eliminated in proportionate interest in Associates; Unrealized losses are also eliminated unless there is evidence of an impairment of the asset transferred in the transaction. Associates' accounting policies have been adjusted, as necessary, to be consistent with those adopted by the Group.
4. When the Group disposes of Associates, if it loses its significant influence on the Associates, the accounting treatment for all amounts previously recognized other comprehensive income related to the Associates is the same as the basis for the Associates to directly dispose of related assets or liabilities, that is, if the profit or loss previously recognized as other comprehensive income will be rearranged as profit or loss when disposing of related assets or liabilities, then when the significant influence on Associates is lost, the benefit or loss will be rearranged from equity as profit or loss. If there is still a significant impact on the Associates, only the amount previously recognized in other comprehensive income will be transferred out in the above-mentioned manner in proportion.

(X) Property, plant, and equipment

1. Property, plant, and equipment are recorded at acquisition cost, and interest is capitalized during the period of acquisition. Property, plant, and equipment under construction are measured at the lower of cost or net realizable value, and the sales price and cost are recognized as gain or loss when testing the assets for proper functioning before they reach their intended use.
2. Subsequent costs are included in the carrying amount of assets or recognized as a separate asset only when the future economic benefits related to the project are likely to flow into the group and the cost of the project can be measured reliably. The Carrying amount of the reset part should be excluded. All other maintenance expenses are recognized as current gain or loss when incurred.

3. Land is not depreciated as in the proposal-list. Other property, plant, and equipment are depreciated on a straight-line basis based on the estimated service life using the cost model. The group inspects the residual value, service life and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and service life is different from the previous estimate, or if there has been a major change in the expected consumption pattern of the future economic benefits contained in the asset, it shall be dealt with in accordance with the accounting estimate change provisions of International Accounting Standard No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The service life of each asset is as follows:

Building

Plantmainbuilding	5~50year
Electro-mechanicalpowerequipment	5~10year
Otherequipment	15year
Mechanicalequipment	2~16year
Transportequipment	3~6year
Misc.equipment	2~10year

4. Property, plant, and equipment are derecognized when they are disposed of or not expected to generate future economic benefits from use or disposal. The amount of gain or loss arising from the derecognition of property, plant, and equipment is the difference between the net disposal price and the Carrying amount of the asset and is recognized as current gain and loss.

(XI) Lease

The Group assesses whether a contract is (or contains) a lease on the date the contract is established. For a contract that contains a lease component and one or more additional lease or non-lease components. The Group allocates the consideration in the contract to the lease component based on the relative stand-alone price of each lease component and the aggregate stand-alone price of the non-lease components.

1. The group is the lessee

Except for leases of low-value underlying assets and short-term leases, which are recognized on a straight-line basis, the Group recognizes Right-to-use assets and Lease liabilities for other leases on the lease commencement date.

Right-to-use assets

Right-to-use assets are originally measured at cost (including the original measurement amount of the lease liability, the lease payment less the lease incentive received before the lease commencement date, the original direct cost and the estimated cost of restoring the underlying asset), subsequent measurement is based on the amount after deducting Cumulative depreciation and Cumulative impairment loss from cost, and the remeasurement amount of Lease liability is adjusted.

Right-to-use assets are depreciated on a straight-line basis from the start date of the lease to the expiration of the service life or the expiration of the Lease period, whichever is earlier, but if the Lease period expires, the ownership of the underlying asset will be acquired.

Or if the cost of Right-to-use assets reflects the exercise of the purchase option, depreciation will be provided from the start date of the lease to the expiry of the service life of the underlying asset.

Lease liability

Lease liability is originally measured by the present value of the lease payment (including fixed payment, substantial fixed payment, variable lease payment depending on the index or rate, etc.). If the implied interest rate of the lease is easy to determine, the lease payment shall be discounted using the interest rate. If this rate is not readily determined, the lessee incremental borrowing rate is used.

Subsequently, the Lease liability is measured based on the Amortized cost using the effective interest method, and the Interest expense is amortized over the Lease period. If the Lease period, the evaluation of the purchase option of the underlying asset, the amount expected to be paid under the residual value guarantee, or the index or rate used to determine the lease payment led to changes in future lease payments. The group re-measures the Lease liability and adjusts the Right-to-use assets accordingly. However, if the Carrying amount of the Right-to-use assets has been reduced to zero, the remaining re-measured amount will be included in the Recognized gain or loss. Lease liability is presented as a single line item on the individual balance sheet.

2.The group is the lessor

When the group subleases Right-to-use assets, it judges the classification of the sublease based on the Right-to-use assets (not the underlying assets). However, if the main lease is a short-term lease for which the group applies the recognition exemption, the sublease is classified as an operating lease.

If the lease transfers almost all the risks and rewards attached to the ownership of the underlying asset, it is classified as a finance lease; Conversely, it is classified as an operating lease.

Under financial leases, lease payments include fixed payments, substantially fixed payments, variable lease payments that depend on an index or rate, guaranteed residual value, and the exercise price of a purchase option that is reasonably certain to be exercised, and the lease termination penalty reflected in the Lease period, minus the lease incentives payable. Net amount of lease investments is expressed as the sum of the present value of Lease payments receivable and Unguaranteed residuals and is expressed as finance lease receivables. The Group adopts a systematic and reasonable basis to allocate financing income to the Lease period, so as to reflect the fixed rate of

return that the Group's outstanding Net amount of lease investment can obtain in each period.

Under operating leases, lease payments after deducting lease incentives are recognized as lease income on a straight-line basis. The original direct cost incurred due to the acquisition of the operating lease is added to the carrying amount of the underlying asset and is recognized as an expense in the Lease period on the same basis as the recognized lease income.

(XII) Investment property

Investment property is real property held to earn rentals or for capital appreciation or both (including real property under construction for such purposes). Investment property also includes Right-to-use assets that meet the definition of Investment property.

Investment property is initially measured by cost (including transaction costs), and subsequently measured by the amount of cost minus Cumulative depreciation and Cumulative impairment loss. The Group provides depreciation on a straight-line basis.

Investment property under construction is recognized at the cost minus Cumulative impairment loss. The cost includes professional service fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets reach their intended use.

The amount of gain or loss arising from investment property is the difference between the net disposal price and the carrying amount of the asset and is recognized as current gain and loss.

(XIII) Intangible assets

The limited-service life intangible assets obtained individually are presented as cost minus Accumulated amortization and Cumulative impairment. The amortization amount is accrued according to the following useful years using the straight-line method: Computer software design fees are based on 3 years; patent rights are based on economic benefits or contract terms.

Estimated service life and amortization methods are reviewed at the end of the reporting period, and the effect of any estimated variation is deferred.

Derecognized Intangible assets are disposed or expected to fail to generate future economic benefits from use or disposal. The amount of profit or loss arising from derecognized Intangible assets is the difference between the net disposal of price and the carrying amount of the asset and is the Recognized current gain and loss.

(XIV) Nonfinancial assets impairment

On the balance sheet date, the company estimates the recoverable amount of assets with signs of impairment. When the recoverable amount is lower than its book value, it is recognized impairment loss. On the balance sheet date, the company estimates the recoverable amount of assets with signs of impairment. When the recoverable amount is

lower than its book value, it is recognized impairment loss. The recoverable amount is an asset's Fair value less costs of disposal or its value in use, whichever is higher. If the asset impairment recognized in the previous year does not exist, it shall be reversed within the scope of the provision for loss in the previous year.

(XV) Liability reserve

Liability reserve is recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The measurement of Liability reserve is based on the best estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate adopts the pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of liabilities. The discounted amortization is recognized as interest expense. Future operating losses shall not be recognized as Liability reserve.

(XVI) Employee benefits

1.Short-term employee benefits

Short-term employee benefits are measured at the non-discounted amount expected to be paid and are recognized as expenses when the related services are rendered.

2.Pensions

Defined contribution plan

For defined contribution plans, the amount to be contributed to the pension fund is recognized as pension cost on an accrual basis in the current period. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or reduce future benefits.

3.Remuneration for employees and directors and supervisors

Remuneration of employees, directors and supervisors is recognized as expenses and liabilities when there are statutory or constructive obligations, and the amount can be estimated reasonably. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate.

4.Termination benefits

Termination benefits are benefits provided to employees whose employment is terminated prior to their normal retirement date or when the employee decides to accept the Company's benefits offer in exchange for the termination of employment. The Group recognizes the expense at the earlier of when the offer of Termination benefits can no longer be revoked or when the related restructuring costs are recognized. Benefits that are not expected to be fully settled within 12 months after the end of the reporting period should be discounted.

(XVII) Share capital and treasury stock

1.Share capital

Common stock is classified as equity. The classification of special shares is the definition of the substance and financial debts and equity instruments of contractual agreements, and the specific rights attached to special shares are evaluated. When the basic characteristics of financial liabilities are displayed, they are classified as liabilities, otherwise they are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are included in equity as a reduction of the price.

2.Treasury stock

When the Group recovers the issued Stocks, the consideration paid for the purchase (including directly attributable costs) is recognized as "Treasury stock" as a deduction from equity. The difference between the disposal price and the book value of the treasury stocks is recorded as a Capital surplus — Treasury stocks transaction; If the disposal price is lower than the book value, the difference will be offset against the Capital Surplus generated by the transaction of the same type of treasury stocks. If there is any shortage, it will be debited to the retained earnings. The book value of treasury stocks is weighted average and calculated according to the reasons for withdrawal.

When treasury stocks are canceled, the capital surplus is debited according to the Shareholding ratio — Stocks issue premium and share capital. If the book value is higher than the total amount of the face value and Stocks issue premium, the difference will be offset against the Capital surplus generated by the transaction of the same type of treasury stocks. If there is any deficiency, it will be offset against Retained earnings; If its book value is lower than the total of the face value and the Stock issue premium, it will be credited to the Capital surplus generated from the transaction of the same type of treasury stocks.

(XVIII) Income tax

1.Income tax expense includes current and deferred income taxes. Income tax is

Recognized gain or loss, except for income taxes related to items listed in Other comprehensive income or directly listed in equity, which are listed in Other comprehensive income or directly listed in equity.

2.Current income tax is calculated on the basis of taxable income generated by the Group using tax rates that have been legislated or substantively legislated at the balance sheet date. Management periodically evaluates the status of income tax returns with respect to applicable income tax regulations and, where applicable, estimates the income tax liability based on the expected tax payments to be made to the tax authorities. Income tax is levied on the undistributed earnings calculated in accordance with the provisions of the Income Tax Law of the R.O.C., In the year following the year in

which the surplus is generated, after the shareholders' meeting approves the surplus distribution proposal, the income tax expense shall be recognized based on the distribution of the actual surplus.

3. Deferred income tax is recognized using the balance sheet method on temporary differences arising from the tax basis of assets and liabilities and their carrying amounts on the balance sheet. Deferred tax liabilities arising from the goodwill originally recognized are not recognized. If the deferred income tax is derived from the original recognition of assets or liabilities in transactions (excluding Business consolidated), and if the transaction does not affect the accounting profit or tax income (tax loss) at the time of the transaction, it will not be recognized. The deferred income tax is based on the tax rate (and tax law) that has been enacted or substantively enacted on the balance sheet date and is expected to be applicable when the relevant Deferred tax assets are realized, or the Deferred tax liabilities are settled.
4. Deferred tax assets are recognized to the extent that temporary differences, unused tax losses and unused income tax credits are likely to have future taxable income available for use, and at the end of each reporting period, re-evaluate the unrecognized and recognized Deferred tax assets.
5. The current income tax assets and current income tax liabilities can only be offset when there is a legally enforceable right to offset the recognized current income tax assets and liabilities and there is an intention to pay off on a net amount basis or realize assets and clear liabilities at the same time; When there is a legally enforceable right to offset current income tax assets and current income tax liabilities, and Deferred tax assets and liabilities are taxed by the same tax authority, the same taxpayer, or when different taxpayers arise but each subject intends to pay off on the basis of Net amount or realize assets and pay off liabilities at the same time, the Deferred tax assets and liabilities will be offset.
6. Due to the purchase of equipment or technology, research and development expenditures, personnel training expenditures, and Income tax deduction accounting is adopted for the tax incentives arising from investment and Shareholding.

(XIX) Revenue recognition

The Group comes from the principle of recognition of Customer contract income, and recognizes revenue in the following steps:

1. Identify customer contracts;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocating the transaction price to performance obligations in the contract; and
5. Revenue is recognized when the performance obligation is satisfied.

For contracts where the time interval between the transfer of goods or services and the receipt of consideration is within one year, the transaction price shall not be adjusted for its significant financial components.

(1) Products Sales Revenue

Products Sales Revenue is sold from products such as cement, limestone, and cement processing products. Sales revenue recognizes when the control of the product is transferred to the customer, because the customer has the right to set the price and use of the product and has the main responsibility of re-sales and bears the risk of outdated the product. The company recognized income and accounts receivable at this time; It also expressed the net volume of deducting sales, rewards, and discounts.

When processing without materials, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when the materials are removed.

(2) Revenue from sales of lands and houses

Revenue from the sale of real estate in the ordinary course of business is recognized when each such real estate is completed and delivered to the buyer.

(3) Project revenue

Real estate during construction is a contract for the construction of real estate under the control of the customer and the Group recognizes revenue over time. Since the cost invested in construction is directly related to the degree of completion of performance obligations, the Group measures the progress of completion based on the ratio of the actual input cost to the expected total cost. The Group recognizes contract assets gradually during the construction process and transfers them to Accounts receivable when billing. If the construction payment received exceeds the amount recognized as revenue, the difference is recognized as contract liabilities. Construction retention funds withheld by customers in accordance with the terms of the contract are intended to ensure that the Group completes all contractual obligations and are recognized as contract assets until the Group's performance of the contract is completed.

If the outcome of the performance obligation cannot be measured reliably, project revenue is recognized only to the extent that incurred costs are expected to be recovered in satisfaction of the performance obligation.

(XX) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are included as part of the cost of the asset until substantially all the activities necessary to bring the asset to its intended use or sale condition have been completed.

Investment income earned on the temporary investment of specific borrowings prior to the occurrence of eligible capital expenditures is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized as gain or loss in the period in which they are incurred.

V. Significant accounting judgments, estimates, and primary sources of assumption

uncertainty When the Group prepared this consolidated financial report, the important judgments, important accounting estimates and assumptions adopted in the accounting policies are as follows:

(I) Significant judgments adopted in accounting policies

1. Financial assets classification business model judgment

The Group evaluates the business model to which financial assets belong based on the level that reflects the joint management of financial asset groups to achieve specific business objectives. This assessment considers all relevant evidence, including how the asset's performance is measured, the risks affecting performance, and how the compensation of relevant managers is determined, and requires the use of judgment. The Group continues to evaluate whether its business model is appropriate, and for this purpose, it monitors the financial assets and Investments in debt instruments measured at fair value via other comprehensive income that are measured by post-amortized cost before the due date, to understand the reasons for its disposition to assess whether the disposition is consistent with the goals of the business model. If it is found that the business model has changed, the Group will reclassify financial assets in accordance with the provisions of IFRS 9 and postpone the application from the date of reclassification.

2. Revenue recognition

According to IFRS 15, the company judges whether it has obtained or not obtained control of specific products or services before transferring them to the customer and will be the principal or agent in the transaction. If it is judged as the agent of the transaction Person-hours, the transaction Net amount is recognized as revenue.

In any of the following circumstances, the Group shall be the principal:

- (1) The Group obtains control of the goods or other assets from another party before the goods or other assets are transferred to the customer; or
- (2) The Group controls the right to provide labor services by another party, so as to have the ability to direct the party to provide labor services to customers on behalf of the Group; or
- (3) The Group obtains control of goods or services from another party and uses them in combination with other goods or services to provide specific goods or services to customers.

The indicators used to help judge whether the company controls the specific goods or services before transferring them to customers include (but are not limited to):

- A. The Group is primarily responsible for fulfilling the commitment to provide specific goods or services.
- B. The Group assumes inventory risk before and after specific goods or services are transferred to customers.
- C. The Group has the discretion to determine the price.

3. Lease period

When determining the Lease period, the Group considers all relevant facts and circumstances that create economic incentives to exercise (or not exercise) the option, including the expected changes in all facts and circumstances from the start date to the date when the option is exercised. Factors considered include the terms and conditions of the contract for the period covered by the option, significant leasehold improvements made (or expected to be made) during the contract period, and the importance of the underlying asset to the Group's operations, among others. When major events or major changes occur within the scope of the Group's control, the Lease period will be re-evaluated.

4. Judgment on whether to have substantive control over Associates

The Group holds Penghu Cable TV Co. with a Shareholding ratio of 40% and is the single largest shareholder, after considering the number and distribution of voting rights held by other shareholders, other shareholdings are not extremely scattered, and the Group is still unable to dominate the relevant activities of Penghu Cable TV Co. and therefore has no control. The management of the Group believes that it only has a significant influence on Penghu Cable TV Co., so it is listed as the Associates of the Group.

(II) Critical accounting estimates and assumptions

1. Estimated impairment of Financial Asset

Estimated impairment of accounts receivable is based on the Group's assumption of default rate and expected loss rate. The Group considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for impairment valuation. If the actual cash flow in the future is less than expected, significant Impairment loss may occur.

2. Fair value measurement and evaluation process

When the assets and liabilities measured by Fair value are not quoted in the active market, the Group decides whether to outsource the valuation and determine the appropriate Fair value evaluation technique according to relevant laws and regulations or based on judgment. If the 1st Level input value cannot be obtained when estimating the Fair value, the Group refers to the analysis of the financial status and operating

results of the investee, the latest transaction price, the quotation of the same equity instrument in the non-active market, and the quotation of similar instruments in the active market. The input value is determined by information such as the evaluation multiplier of comparable companies. If the actual change of the input value in the future is different from the expectation, there may be a change in the Fair value. The Group regularly updates each input value according to the market situation to monitor whether the Fair value measurement is appropriate.

3. Tangible and intangible asset impairment valuation

In the process of asset impairment valuation, the Group needs to rely on subjective judgments and determine the independent cash flow, and the service life of the asset and the possible future income and expense, any estimated changes due to changes in economic conditions or company strategies may cause significant impairment in the future.

4. Investments using equity method impairment valuation

When there are indications of impairment that an investment using the Equity method may have been impaired so that the carrying amount cannot be recovered, the Group immediately assesses the impairment of the investment. The Group evaluates the recoverable amount based on the discounted value of the expected future cash flow of the Invested company or the discounted value of the future cash flow generated by the expected cash dividend and disposal of the investment and analyzes the rationality of the relevant assumptions.

5. Realizable deferred tax assets

Deferred tax assets are recognized only when it is probable that there will be sufficient taxable income in the future to use for deductible temporary differences. When assessing the realizability of Deferred tax assets, significant accounting judgments and estimates of the management must be involved, including assumptions about expected future sales revenue growth and profit margins, tax-free period, available income tax credits, and tax planning. Any changes in the global economic environment, industry environment, and laws and regulations may result in significant adjustments to deferred tax assets.

6. Inventory evaluation

Since Inventory is stated at the lower of cost or net realizable value, the Group must use judgment and estimates to determine the net realizable value of Inventory at the balance sheet date. The Group assesses the amount of Inventory that is normally worn out, obsolete, or has no marketable value at the balance sheet date and writes down the cost of Inventory to its net realizable value.

7. Lessee's incremental borrowing rate of interest

When determining the Lessee's incremental borrowing rate of interest used for discounting lease payments, the risk-free interest rate of the same currency and the relevant period is used as the reference rate, and the estimated lessee's credit risk

discount and lease-specific adjustments (such as asset-specific and attached guarantees) are taken into account.

VI. Description of significant accounting items

(I) Cash and cash equivalents

Item	Dec. 31, 2022	Dec. 31, 2021
Cash	\$ 504	\$ 413
Cheque Deposit	4, 870	2, 992
Demand Deposits	153, 853	91, 159
Cash Equivalents		
Short-term notes with an original maturity date within three months	137, 147	324, 940
Total	\$ 296, 374	\$ 419, 504

1. The credit quality of the financial institutions that the Group deals with is good, and the Group deals with a number of financial institutions to diversify the credit risk, and the possibility of default is expected to be very low.
2. The Group has not pledged Cash and cash equivalents.

(II) Financial assets at fair value through gain or loss—Financial assets—Current

Item	Dec. 31, 2022	Dec. 31, 2021
Non-derivative financial assets		
Public shares	\$ 144, 337	\$ 180, 450
Open-end Funds	396, 540	34, 165
Bonds	16, 638	34, 070
Total	\$ 557, 515	\$ 248, 685

1. The net (loss) loss recognized by the Group in Year 2022 and 2021 is (40,117) thousand yuan and 18,033 thousand yuan respectively.
2. The Group has not pledged financial assets at fair value through gain or loss.
3. Please refer to Note 12 for the relevant credit risk management and assessment methods.

(III) Notes receivable net amount

Item	Dec. 31, 2022	Dec. 31, 2021
Measured by post-amortized cost		
Total carrying amount	\$ 249, 354	\$ 199, 262
Minus: Allowance losses	(2, 571)	(2, 339)
Notes receivable net amount	\$ 246, 783	\$ 196, 923

1. The Group did not pledge the Notes receivable.
2. For the disclosure of Notes receivable, Allowance for losses, please refer to Note 6(4) as a description.

(IV) Accounts receivable Net amount

Item	Dec. 31, 2022	Dec. 31, 2021
Measured by post-amortized cost		
Total carrying amount	\$ 94,453	\$ 126,140
Minus: Allowance losses	(592)	(15,983)
Accounts receivable Net amount	<u>\$ 93,861</u>	<u>\$ 110,157</u>

1. The Group's non-overdue and unimpaired Accounts receivable all meet the credit standard set according to the counterparty's industrial characteristics, business scale and profit status, and the average credit period for the sales of the production department is 2-3 months; Construction and Leasing department to handle according to the contractual treaty payment deadline.
2. The Group adopts the simplified method of IFRS 9 to recognize Allowance for losses of Accounts receivable according to Expected credit losses during the period of existence. Expected credit losses during the period of existence is calculated using a provision matrix, which considers the customer's past default record, current financial situation, and industry economic trends. As the Group's credit loss historical experience shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further distinguish customer groups, and the expected credit loss rate is determined by the number of Accounts receivable overdue days.
3. The Group measures the Allowance for losses of Notes receivable and Accounts receivable according to the preparation matrix (Including related parties and other receivables) as below:

Dec. 31, 2022	Expected credit loss rate	Total carrying amount	Allowance for losses (expected credit losses during existent period)	Amortized cost
Not overdue	0%-2%	\$ 411,672	\$ (3,516)	\$ 408,156
Overdue 0~90 day	0%-5%	—	—	—
Overdue 91~180 day	0%-25%	—	—	—
Overdue 181~365 day	0%-50%	—	—	—
Overdue 365 days more	0%-100%	63	(63)	—
Total		<u>\$ 411,735</u>	<u>\$ (3,579)</u>	<u>\$ 408,156</u>

Dec. 31, 2021	Expected credit loss rate	Total carrying amount	Allowance for losses (expected credit losses during existent period)	Amortized cost
Not overdue	0%-2%	\$ 347,406	\$ (3,688)	\$ 343,718
Overdue 0~90 day	0%-5%	—	—	—
Overdue 91~180 day	0%-25%	—	—	—
Overdue 181~365 day	0%-50%	—	—	—
Overdue 365 days more	0%-100%	15,052	(15,052)	—
Total		<u>\$ 362,458</u>	<u>\$ (18,740)</u>	<u>\$ 343,718</u>

4. Changes in notes receivable and Accounts receivable allowance loss (including related parties and other Receivables) are as follows:

Item	Year 2022	Year 2021
Opening balance	\$ 18,740	\$ 21,747
Add: Impairment loss provision	–	–
Minus: Reversal of impairment loss	(339)	(3,007)
Minus: Charge-off due to uncollectible	(14,822)	–
Ending balance	<u>\$ 3,579</u>	<u>\$ 18,740</u>

Other credit enhancements held by the above accounts receivable: None

If there is evidence that the counterparty is facing severe financial difficulties and the Group cannot reasonably expect the recoverable amount, the Group will directly write off the relevant Accounts receivable, but will continue to pursue activities, because the recoverable amount will be Recognized gain or loss. The accounts receivable of the Group's charge-off contract amount in Year 2022 and 2021 are 14,822 thousand yuan and 0 thousand yuan respectively.

5. Please refer to the description of Note 12 for relevant credit risk management and evaluation methods.

6. The Group did not pledge the Accounts receivable.

(V) Other receivables

Item	Dec. 31, 2022	Dec. 31, 2021
Rental receivable	\$ 1,415	\$ 1,400
Receivable advance payment for design fee	30,412	–
Interest receivable	1,122	596
Receivable Other	320	218
Subtotal	<u>\$ 33,269</u>	<u>\$ 2,214</u>
Minus: Allowance losses	–	–
Net amount	<u>\$ 33,269</u>	<u>\$ 2,214</u>

1. The Group and Bijiang Enterprise Co. jointly hold the land and buildings in the bay area, and the two parties agreed to apply for a construction license, however, it is necessary to issue a letter of consent for the right to use the land Holder and "Execution method for calculating the project cost by extending the project unit price in Year 2022" to handle the Grab hanging operation, and pay an advance payment of 30,412 thousand yuan in advance to handle the booking-case, subsequent Grab hanging design fees will be recovered after obtaining the return document and submitting the return and refund operation. The payment has been recovered in January 2023.

2. Rental Receivable as follows:

	Dec. 31, 2022	Dec. 31, 2021
Total undiscounted lease payments		
1st year	\$ 1,428	\$ 1,428
2nd year	–	1,428
Total	\$ 1,428	\$ 2,856
Minus: Unearned financing gain	(13)	(41)
Minus: Allowance losses	–	–
Lease payments receivable	\$ 1,415	\$ 2,815
Unguaranteed residuals	\$ –	\$ –
Minus: Unearned financing gain	–	–
Present value of unguaranteed residuals	\$ –	\$ –
Lease investment presented as finance lease receivable net amount	\$ 1,415	\$ 2,815
Rental receivable (Billing as other receivables)	\$ 1,415	\$ 1,400
Long-term rental receivable (Billing as other non-current assets)	\$ –	\$ 1,415

The Group signed a financial lease agreement in December 2018 to sublease the 8th floor of the Southeast Building to the Vocational Training Bureau of the Ministry of Labor. The average lease term is 5 years, and the fixed lease payment is 714 thousand yuan every six months. The Group classified the lease as a finance lease because the period of the sublease is all the remaining period of the corresponding master lease.

(VI) Inventory and Cost of sales

Item	Dec. 31, 2022	Dec. 31, 2021
Manufacturing department:		
Raw fuel	\$ 20,887	\$ 24,773
Material	55,664	63,453
WIP	4,057	29,393
finished product	98,694	29,861
Net amount—Manufacturing department	\$ 179,302	\$ 147,480
Construction department:		
Construction land	\$ 423,446	\$ 539,187
Building under construction	413,404	154,407
Net amount—Construction department	\$ 836,850	\$ 693,594
Total	\$ 1,016,152	\$ 841,074

1. Inventory-related losses (gains) recognized as Cost of sales in the current period were as follows:

Item	Year 2022	Year 2021
Selling inventory costs	\$ 1,577,644	\$ 1,479,010
Other operating cost	54,051	38,028
Unallocated manufacturing expense	25,963	9,820
Inventory loss (gain)	(326)	(6,797)
Inventory scrap loss	6,361	–
Provision for inventory price declines and deadstock losses (recovery benefit)	(6,304)	(17,619)
Manufacturing department	\$ 1,657,389	\$ 1,502,442
Cost of real estate sold	–	209,775
Construction cost	15,347	–
Total operating cost	<u>\$ 1,672,736</u>	<u>\$ 1,712,217</u>

2. In Year 2022 and 2021, the Group recognized the net realizable value of inventories rebounded due to the digestion of part of the inventory. Therefore, the recognized inventory price decline and sluggish losses (recovery benefits) were (6,304) thousand yuan and (17,619) thousand yuan respectively.
3. The Group has not pledged Inventory.
4. The addition of Inventory in this period and the adjustment of Inventory in the cash flow statement are as follows:

Item	Year 2022	Year 2021
Inventory (increase) decrease	\$ (175,078)	\$ 43,236
Transfer to property, plant and equipment	(1,074)	(2,260)
Inventory reduces (increases) cash amount received (paid)	<u>\$ (176,152)</u>	<u>\$ 40,976</u>

(VII) Prepayment

Item	Dec. 31, 2022	Dec. 31, 2021
Prepaid for materials	\$ 11,855	\$ 15,516
Prepaid premiums	526	357
Retained tax credit	25,739	13,684
Prepaid other	2,801	6,708
Total	<u>\$ 40,921</u>	<u>\$ 36,265</u>

(VIII) Other financial assets—Current

Item	Dec. 31, 2022	Dec. 31, 2021
Original maturity date more than 3 months Fixed deposit:		
NT Dollar Time Deposit	\$ 1,107	\$ 41,107
Foreign Currency Time Deposit	163,433	120,518
Total	<u>\$ 164,540</u>	<u>\$ 161,625</u>
Interest rate range	<u>0.78%–4.60%</u>	<u>0.22%–0.81%</u>

(IX) Incremental costs to obtain contracts - Current

The Group expects to be able to recover the commission paid to the agency sales company for obtaining the real estate sales contract or the bonus for the internal sales department's own sales of construction projects, so it is recognized as an asset. It is amortized when recognizing the revenue from the sale of real estate. The year 2022 and 2021 recognize the Selling expense of 0 thousand yuan and 3,842 thousand yuan respectively.

(X) Financial assets measured at fair value via other comprehensive income — Non-current

Item	Dec. 31, 2022	Dec. 31, 2021
Non-current		
Equity instruments		
Stocks of domestic listed companies	\$ 282,470	\$ 282,470
Stocks of domestic unlisted companies	357,773	357,840
Subtotal	\$ 640,243	\$ 640,310
Evaluation adjustment	593,586	619,166
Total	\$ 1,233,829	\$ 1,259,476

1. The Group invests in the above-mentioned Domestic unlisted stocks according to the long-term strategic purpose and expects to make profits through Long-term investment. The management of the Group believes that if the short-term Fair value fluctuations of these investments are included in the profit and loss, it is inconsistent with the aforementioned Long-term investment plan, so they choose to designate these investments as Via other comprehensive income measured at fair value.
2. The Group adjusted its investment position in Year 2022 and 2021 to diversify risks and sold some Stocks at Fair value. Related Other equity - Financial assets measured at fair value via other comprehensive income unrealized gains and losses were 475 thousand yuan and 254 thousand yuan respectively, then transfer Retained earnings.
3. Please refer to the description of Note 12 for relevant credit risk management and assessment methods.
4. The Group has not pledged Financial assets measured at fair value via other comprehensive income.

(XI) Investments using equity method

Invested company	Dec. 31, 2022	Dec. 31, 2021
Significant associates:		
Taiwan Machinery Shipbuilding Co.	\$ 325,220	\$ 330,900
Penghu Cable TV Co.	135,684	150,299
Subtotal	\$ 460,904	\$ 481,199
Individual insignificant associates	\$ 131,571	\$ 130,427
Total	\$ 592,475	\$ 611,626

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

Company name	Shareholding ratio	
	Dec. 31, 2022	Dec. 31, 2021
Taiwan Machinery Shipbuilding Co.	31.56%	31.56%
Penghu Cable TV Co.	40.00%	40.00%

The nature of business, principal place of business and country information of company registration of the above-mentioned Associates, please refer to Note 13 Table-7.

2. The consolidated financial information of the Group's major Associates is as follows:

A. Balance sheet

	Taiwan Machinery Shipbuilding Co.	
	Dec. 31, 2022	Dec. 31, 2021
Current assets	\$ 432,881	\$ 303,393
Non-current assets	1,160,957	1,151,348
Current debts	(435,481)	(380,002)
Non-current debts	(94,085)	(2,157)
Equity	\$ 1,064,272	\$ 1,072,582
Share of Associates' net assets	\$ 335,921	\$ 338,544
Unrealized gain or loss on Associates transaction	(10,701)	(7,644)
Associates book value	\$ 325,220	\$ 330,900

	Penghu Cable TV Co.	
	Dec. 31, 2022	Dec. 31, 2021
Current assets	\$ 365,772	\$ 369,570
Non-current assets	114,831	124,128
Current debts	(107,878)	(82,679)
Non-current debts	(33,515)	(35,271)
Equity	\$ 339,210	\$ 375,748
Share of Associates' net assets	\$ 135,684	\$ 150,299
Associates book value	\$ 135,684	\$ 150,299

B. Consolidated gain and loss table

Company name	Taiwan Machinery Shipbuilding Co.	
	Year 2022	Year 2021
Operating revenue	\$ -	\$ 191,440
Current net profit	\$ (8,005)	\$ 49,538
Other comprehensive income (Net after-tax)	(1,905)	6,715
Total consolidated gain or loss this period	\$ (9,910)	\$ 56,253
Dividends received from Associates	\$ 2,607	\$ 2,486

Company name	Penghu Cable TV Co.	
	Year 2022	Year 2021
Operating revenue	\$ 115,502	\$ 119,148
Current net profit	\$ 25,558	\$ 22,042
Other comprehensive income (Net after-tax)	(4,997)	6,821
Total consolidated gain or loss this period	\$ 20,561	\$ 28,863
Dividends received from Associates	\$ 24,000	\$ 7,200

(1) The shares of individual insignificant Associates are summarized as follows:

	Year 2022	Year 2021
Entitled shares:		
Current net profit	\$ 1,517	\$ 2,672
Other comprehensive income (Net after-tax)	(372)	425
Total consolidated gain or loss this period	\$ 1,145	\$ 3,097

(2) Investments using the equity method and the Group's share of gains and losses and other comprehensive income are calculated based on financial reports audited by accountants.

3. The Group did not provide pledges for Investments using equity method on December 31, 2022 and 2021

(XII) Property, plant, and equipment

Item	Dec. 31, 2022	Dec. 31, 2021
Land	\$ 913,828	\$ 720,588
House and Building	425,687	425,506
Mechanical equipment	1,029,857	1,029,011
Transport equipment	40,345	30,036
Other equipment	63,422	41,054
Equipment to be inspected and unfinished projects	202,724	30,936
Total cost	\$ 2,675,863	\$ 2,277,131
Minus: Cumulative depreciation	(1,083,315)	(1,063,788)
Cumulative impairment	(12,204)	(12,204)
Total	\$ 1,580,344	\$ 1,201,139

	Land	House and Building	Mechanical equipment	Transport equipment	Other equipment	Equipment to be inspected & Unfinished project	Total
Costs							
2022.1.1 Balance	\$ 720,588	\$ 425,506	\$1,029,011	\$ 30,036	\$ 41,054	\$ 30,936	\$2,277,131
Additions	260	181	846	–	715	202,676	204,678
Inventory transfer	–	–	–	–	–	1,074	1,074
Investment property transfer	192,980	–	–	–	–	–	192,980
Rearrange	–	–	–	10,309	21,653	(31,962)	–
2022.12.31 Balance	\$ 913,828	\$ 425,687	\$1,029,857	\$ 40,345	\$ 63,422	\$ 202,724	\$2,675,863
Cumulative depreciation and impairment							
2022.1.1 Balance	\$ –	\$ 308,318	\$ 707,404	\$ 24,477	\$ 35,793	\$ –	\$1,075,992
Depreciation expense	–	3,687	12,356	1,477	2,007	–	19,527
Disciplinary	–	–	–	–	–	–	–
Impairment reversal	–	–	–	–	–	–	–
2022.12.31 Balance	\$ –	\$ 312,005	\$ 719,760	\$ 25,954	\$ 37,800	\$ –	\$1,095,519

	Land	House and Building	Mechanical equipment	Transport equipment	Other equipment	Equipment to be inspected & Unfinished project	Total
Costs							
2021.1.1 Balance	\$ 153,748	\$ 395,161	\$2,646,621	\$ 25,036	\$ 50,050	\$ 48,145	\$3,318,761
Additions	–	439	564	2,500	4,055	916,621	924,179
Inventory transfer	–	–	–	–	–	2,260	2,260
Right-to-use assets transfer	–	34,494	–	–	499	2,570	37,563
Disciplinary	–	(85,910)	(1,905,232)	–	(14,490)	–	(2,005,632)
Rearrange	566,840	81,322	287,058	2,500	940	(938,660)	–
2021.12.31 Balance	\$ 720,588	\$ 425,506	\$1,029,011	\$ 30,036	\$ 41,054	\$ 30,936	\$2,277,131
Cumulative depreciation and impairment							
2021.1.1 Balance	\$ –	\$ 393,536	\$2,601,785	\$ 23,863	\$ 49,879	\$ –	\$3,069,063
Depreciation expense	–	692	10,851	614	404	–	12,561
Disciplinary	–	(85,488)	(1,890,448)	–	(14,451)	–	(1,990,387)
Impairment reversal	–	(422)	(14,784)	–	(39)	–	(15,245)
2021.12.31 Balance	\$ –	\$ 308,318	\$ 707,404	\$ 24,477	\$ 35,793	\$ –	\$1,075,992

1. The property, plant, and equipment obtained from the additions and cash flow statement in this period are adjusted as follows:

Item	Year 2022	Year 2021
Property, plant, and equipment increment	\$ 204,678	\$ 924,179
Payables for equipment purchase	(11,471)	9,468
Increase/Decrease		
Cash payment for property, plant, and equipment	\$ 193,207	\$ 933,647

2. Property, plant, and equipment Borrowing cost capitalization amount and Interest rate range: None.
3. The Group's cumulative impairment in Year 2022 and 2021 is 0 thousand yuan and (15,245) thousand yuan respectively. Since the raw and clinker department of the group has been shut down in 107 years, the relevant equipment has been idle and unused. It is expected that the recoverable amount will be less than the carrying amount, provision for Impairment loss. However, it has scrapped some of the related equipment in Year 2021, so it was transferred to Cumulative damage, and the residual price of the above disposal belongs to the 3rd Level fair value.
4. Guaranteed information provided by Property, plant, and equipment: None.

(XIII) Lease agreement

1.Right-to-use assets

Item	Dec. 31, 2022	Dec. 31, 2021
Land	\$ 482, 487	\$ 427, 389
Building	475, 149	97, 208
Transport equipment	6, 372	5, 261
Total costs	\$ 964, 008	\$ 529, 858
Minus: Cumulative depreciation	(251, 280)	(172, 197)
Cumulative impairment	—	—
Net amount	\$ 712, 728	\$ 357, 661

Costs	Land	Building	Transport equipment	Total
2022.1.1 Balance	\$ 427, 389	\$ 97, 208	\$ 5, 261	\$ 529, 858
This period increases	55, 098	377, 941	1, 111	434, 150
This period decreases	—	—	—	—
2022.12.31 Balance	\$ 482, 487	\$ 475, 149	\$ 6, 372	\$ 964, 008
Cumulative depreciation and impairment				
2022.1.1 Balance	\$ 165, 516	\$ 4, 350	\$ 2, 331	\$ 172, 197
Depreciation expense	54, 365	22, 753	1, 965	79, 083
Submit list (Reversal)	—	—	—	—
Impairment loss	—	—	—	—
2022.12.31 Balance	\$ 219, 881	\$ 27, 103	\$ 4, 296	\$ 251, 280

Costs	Land	Building	Transport equipment	Total
2021.1.1 Balance	\$ 407, 039	\$ 92, 409	\$ 4, 220	\$ 503, 668
This period increases	39, 479	42, 362	1, 041	82, 882
Transfer to property, plant and equipment	—	(37, 563)	—	(37, 563)
This period decreases	(19, 129)	—	—	(19, 129)
2021.12.31 Balance	\$ 427, 389	\$ 97, 208	\$ 5, 261	\$ 529, 858

Costs	Land	Building	Transport equipment	Total
Cumulative depreciation and impairment				
2021.1.1 Balance	\$ 110,985	\$ 2,692	\$ 820	\$ 114,497
Depreciation expense	54,531	1,658	1,511	57,700
Submit list (Reversal)	–	–	–	–
Impairment loss				
2021.12.31 Balance	\$ 165,516	\$ 4,350	\$ 2,331	\$ 172,197

2. Current Additions and obtain Right-to-use assets Cash flow statement are adjusted as follows:

Item	Year 2022	Year 2021
Right-to-use assets increment	\$ 434,150	\$ 82,882
Lease liability increase	(409,370)	(40,520)
Payable to purchase Right-to-use assets	(833)	12,729
Increase/Decrease		
Cash payment for Right-to-use assets	\$ 23,947	\$ 55,091

3. Lease liability

Item	Dec. 31, 2022	Dec. 31, 2021
Lease liability carrying amount		
Current	\$ 67,398	\$ 52,946
Non-current	\$ 568,720	\$ 235,791

Discount rate range of Lease liability as below:

Item	Dec. 31, 2022	Dec. 31, 2021
Land	0.78%-2.03%	0.85%-2.03%
Building	0.78%-2.03%	1.16%-2.03%
Transport equipment	1.16%-2.03%	1.16%-2.03%

For the maturity analysis of Lease liability, please refer to Note 12(2)

4. Important lease activities and terms

The Group leases some land, buildings and Transport equipment for operation, factory buildings and roads outside. The Lease period is 3-20 years. Some leases have the right to renew the lease at the expiration of the lease period, and some leases are based on the area of the leased land and the value of the section, and the rate or calculate the rent according to the current value of the land announcement in the year. The Group has included the lease renewal right upon expiration of the Lease period in Lease liability. In addition, according to the contract, without the consent of the lessor, the Group shall not sublease the assets of the Lease subject to others. As of December 31, 2022 and 2021, there is no sign of impairment of Right-to-use assets, so no impairment valuation has been performed.

Due to the severe impact of the novel coronavirus pneumonia epidemic on the market economy in 2020, the Group negotiated with the lessor on the land lease and the lessor agreed to an unconditional reduction of some of the rental amounts for Years 2022 and 2021. The Group recognized the impact of the aforementioned rent reduction in Years 2022 and 2021 as follows 3,790 thousand yuan and 6,245 thousand yuan Recognized gain or loss (Accounted for other income) .

5. Sublet:

The Group sublets the 8th floor of the Southeast Building to the Vocational Training Council of the Ministry of Labor under an operating lease, and the related right-to-use assets are derecognized due to the sublet relationship, and a rental receivable is recognized at the same time. The year 2022 and 2021 are derived from right-to-use assets. The income from the sublet are 28 thousand yuan and 44 thousand yuan.

6. Other Leasing Information

(1) The Group's agreement to lease out Investment property under operating leases, please refer to Note 6 (14) as description.

(2) Information for rental-related expenses for this period as follows:

Item	Year 2022	Year 2021
Short-term lease expense	\$ 60	\$ 117
Lease charges for low-value assets	\$ -	\$ -
Changes not included in the measurement of lease liabilities		
Lease payments expense	\$ -	\$ -
Total cash outflows from leases (Note)	\$ (62, 049)	\$ (63, 548)

(Note): Including principal payments on current lease obligation.

In Year 2022 and 2021, the Group chooses to apply the recognition exemption for short-term leases and low-value asset leases and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

(XIV) Investment property

Item	Dec. 31, 2022	Dec. 31, 2021
Land	\$ 5, 239, 193	\$ 5, 317, 887
Building, construction and equipment	759, 818	759, 818
Total Costs	\$ 5, 999, 011	\$ 6, 077, 705
Minus: Accumulated depreciation	(498, 392)	(494, 151)
Accumulated impairment	(210, 604)	(203, 630)
Net amount	\$ 5, 290, 015	\$ 5, 379, 924

	Land	Houses, buildings and equipment	Equipment to be inspected and unfinished projects	Total
2022.1.1 Balance	\$ 5,317,887	\$ 759,818	\$ –	\$ 6,077,705
Additions	114,286	–	–	114,286
Disciplinary	–	–	–	–
Transfer to property, plant, and equipment	(192,980)	–	–	(192,980)
2022.12.31 Balance	<u>\$ 5,239,193</u>	<u>\$ 759,818</u>	<u>\$ –</u>	<u>\$ 5,999,011</u>
Cumulative depreciation and impairment				
2022.1.1 Balance	\$ –	\$ 697,781	\$ –	\$ 697,781
Depreciation expense	–	4,241	–	4,241
Impairment loss	–	6,974	–	6,974
2022.12.31 Balance	<u>\$ –</u>	<u>\$ 708,996</u>	<u>\$ –</u>	<u>\$ 708,996</u>

	Land	Houses, buildings and equipment	Equipment to be inspected and unfinished projects	Total
2021.1.1 Balance	\$ 5,316,453	\$ 754,283	\$ 5,535	\$ 6,076,271
Additions	1,434	–	–	1,434
Disciplinary	–	5,535	(5,535)	–
2021.12.31 Balance	<u>\$ 5,317,887</u>	<u>\$ 759,818</u>	<u>\$ –</u>	<u>\$ 6,077,705</u>
Cumulative depreciation and impairment				
2021.1.1 Balance	\$ –	\$ 693,539	\$ –	\$ 693,539
Depreciation expense	–	4,242	–	4,242
Disciplinary	–	–	–	–
2021.12.31 Balance	<u>\$ –</u>	<u>\$ 697,781</u>	<u>\$ –</u>	<u>\$ 697,781</u>

1. Investment property rental income and direct operating expenses:

Item	Year 2022	Year 2021
Investment property rental income	<u>\$ 32,628</u>	<u>\$ 59,102</u>
Direct operating expenses of investment property for current rental income	<u>\$ 54,051</u>	<u>\$ 38,028</u>
Direct operating expenses of investment property for no current rental income	<u>\$ 375</u>	<u>\$ 376</u>

2. The total received future lease payments for investment property leased under operating leases are as follows:

	Total significant lease payments	
	Dec. 31, 2022	Dec. 31, 2021
1st year	\$ 3,343	\$ 25,129
2nd year	3,573	26,874
3rd year	3,590	27,197
4th year	3,590	27,215
5th year	3,680	28,298
Over 5 years	31,209	164,704
Total	<u>\$ 48,985</u>	<u>\$ 299,417</u>

3. The Fair value of the investment property is partly based on the evaluation results of independent evaluation experts in recent years, and the evaluation is based on the comparative method; Part of the evaluation is based on the real estate transaction price inquiry service website of the Ministry of the Interior or the website of the real estate agency, and the prices of recent transactions in similar areas and types; Part of it is based on the current lease contract, considering the discounted future cash flow as the evaluation basis, all of which belong to the 3rd Level Fair value, and the Fair value obtained from the evaluation is as follows:

Item	Dec. 31, 2022	Dec. 31, 2021
Fair value	<u>\$ 18,346,053</u>	<u>\$ 11,237,024</u>

4. As of December 31, 2022 and 2021, part of the Group's land cannot be registered in the name of the Group due to legal restrictions and is temporarily registered in the name of the individual. However, in order to ensure Equity, the Group has obtained the registrant's commitment that when the legal restrictions are lifted, it will unconditionally transfer the name of the Group to the Group's name or have completed the preservation measures for the mortgage registration.
5. Guaranteed information provided by Investment property, please refer to Note 8 for explanation.
6. As stated in Note 6 (34), due to the receipt of Boyuan Construction Co.'s termination of the lease of the land in the bay and its above-ground objects, the book value of the relevant equipment can no longer be recovered through use or sale and is estimated as Impairment loss based on the Dispose residual value of the relevant assets. In year 2022 and year 2021, Provision for Impairment loss (Reversal benefits) is 6,974 thousand yuan and 0 thousand yuan respectively, and the above-mentioned Dispose of residual value is 3rd Level Fair value.

(XV) Intangible assets

Item	Dec. 31, 2022	Dec. 31, 2021
Computer software cost	\$ 56	\$ 105
Minus: Accumulated amortization	(16)	(105)
Net amount	<u>\$ 40</u>	<u>\$ -</u>

Costs	Computer software cost	Costs	Computer software cost
2022.1.1 Balance	\$ 105	2021.1.1 Balance	\$ 105
Additions	56	Additions	-
Expiry remove recognition	(105)	Expiry remove recognition	-
2022.12.31 Balance	<u>\$ 56</u>	2021.12.31 Balance	<u>\$ 105</u>

Cumulative depreciation	Computer software cost	Cumulative depreciation	Computer software cost
2022.1.1 Balance	\$ 105	2021.1.1 Balance	\$ 82
Amortized expense	16	Amortized expense	23
Expiry remove recognition	(105)	Expiry remove recognition	-
2022.12.31 Balance	<u>\$ 16</u>	2021.12.31 Balance	<u>\$ 105</u>

(XVI) Deposit guarantee

Item	Dec. 31, 2022	Dec. 31, 2021
Mine deposit	\$ 562	\$ 562
Lease deposit	16,202	10,212
Membership deposit	165	165
Other deposits	2,069	1,810
Total	<u>\$ 18,998</u>	<u>\$ 12,749</u>

(XVII) Short-term loan

Nature of loan	Dec. 31, 2022	
	Amount	Interest rate
Mortgage loan	\$ 1,450,000	1.59%–1.975%
Credit loan	80,000	1.40%
Total	<u>\$ 1,530,000</u>	

Nature of loan	Dec. 31, 2021	
	Amount	Interest rate
Mortgage loan	\$ 770,000	0.78%–0.80%
Credit loan	470,000	0.78%
Total	<u>\$ 1,240,000</u>	

For Short-term loan, the company provides part of the Investment property as a guarantee for the loan, please refer to Note 8 for explanation.

(XVIII) Short-term notes payable

Item	Dec. 31, 2022	Dec. 31, 2021
Commercial paper payable	\$ 420,000	\$ 82,000
Minus: Unamortized discount	(295)	(31)
Net amount	\$ 419,705	\$ 81,969
Interest rate range	1.96%-2.36%	0.85%-1.54%

(XIX) Contract liabilities - Current

Item	Dec. 31, 2022	Dec. 31, 2021
Cement to be picked up	\$ 18,843	\$ 30,505
Receipts in advance	27	27
Total	\$ 18,870	\$ 30,532

(XX) Other payables

Item	Dec. 31, 2022	Dec. 31, 2021
Salaries and bonuses payable	\$ 19,381	\$ 16,373
Goods tax payable	7,713	7,722
Utilities payable	9,106	8,025
Taxes payable	3,954	3,159
Payable to employees and Directors' remuneration — The company	9,594	8,157
Payable to employees and Directors' remuneration — Subsidiary	—	2,246
Payable for equipment-Property, plant, and equipment	12,447	976
Payable equipment-Right-to-use asset	833	—
Dividend payable - prior period	3,977	3,977
Other	22,382	21,030
Total	\$ 89,387	\$ 71,665

(XXI) Liability reserve — Current

Item	Dec. 31, 2022	Dec. 31, 2021
Employee Benefits	\$ 1,441	\$ 1,572
Total	\$ 1,441	\$ 1,572

Item	Employee Benefits	Item	Employee Benefits
Jan. 1, 2022	\$ 1,572	Jan. 1, 2021	\$ 1,553
Current New-added Liability reserve	1,441	Current New-added Liability reserve	1,572
Current used Liability reserve	(1,572)	Current used Liability reserve	(1,553)
Dec. 31, 2022	\$ 1,441	Dec. 31, 2021	\$ 1,572

Employee benefits liability reserve is an estimate of employees vested short-term service leave entitlements.

(XXII) Pensions

1. At the end of 2004, the Group handled employees' voluntary retirement and voluntary resignation measures in accordance with the Labor Standards Act. Since July 1, 2005, the Group has formulated a retirement method with a definite contribution in accordance with the "Labor Pension Regulations", which is applicable to employees of R.O.C. nationality. For employees who choose to apply the labor pension system stipulated in the "Labor Pension Regulations", the company contributes 6% of salary to the labor insurance bureau employee's personal account every month. The employee's pension is paid in the form of monthly pension or one-time pension according to the employee's personal pension account and the amount of accumulated income.
2. In Year 2022 and 2021, the Group's pension costs recognized as expenses in accordance with the above-mentioned pension method are 4,078 thousand yuan and 3,216 thousand yuan respectively.

(XXIII) Deposit guarantee

Item	Dec. 31, 2022	Dec. 31, 2021
Lease deposit	\$ 8,546	\$ 20,476
Cement security deposit	3,282	3,481
Total	\$ 11,828	\$ 23,957

For related party traders, please refer to description of Note 7 (3)6.

(XXIV) Common share capital

Item	Year 2022		Year 2021	
	Number of shares (Thousand)	Amount	Number of shares (Thousand)	Amount
Jan. 1st	572,000	\$ 5,720,008	572,000	\$ 5,720,008
Cash capital increase	-	-	-	-
Turn surplus into capital increase	-	-	-	-
Dec. 31	572,000	\$ 5,720,008	572,000	\$ 5,720,008

As of Dec. 31, 2022, the company's rated capital is 8,000,000 thousand yuan, which is divided into 800,000 thousand shares.

(XXV) Capital surplus

Item	Dec. 31, 2022	Dec. 31, 2021
Stock issue premium	\$ 118, 316	\$ 118, 316
Treasury stocks transaction	67, 056	66, 846
Recognized for investing with Equity method	3, 211	3, 211
Total	<u>\$ 188, 583</u>	<u>\$ 188, 373</u>

According to the provisions of the Company Law, the capital surplus from the issuance of stocks exceeding the par value and the capital surplus from the receipt of gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash may be issued to shareholders in proportion to their original shares. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when capitalizing the above-mentioned Capital Surplus, the total amount shall not exceed 10% of the paid-in capital each year. If the company still has insufficient surplus reserves to cover capital losses, it shall not use capital surplus to make up for it. Capital surplus generated by Investments using equity method shall not be used for any purpose.

(XXVI) Retained earnings and Dividends policy

1. According to the surplus distribution policy stipulated in the company's articles of association, if the company's annual final accounts have a surplus, it should pay taxes first and make up for previous losses, and the next 10% is the Legal surplus reserve, until the Legal surplus reserve has reached the total capital of the company, and after the special surplus reserve is withdrawn or reversed in accordance with the regulations of the competent authority, its balance will be adjusted as the surplus available for distribution after the accumulated undistributed surplus of the previous year and the undistributed surplus of the current year. The board of directors drafts the Surplus appropriation and distributes shareholder dividends after submitting to the resolution of the shareholders' meeting.

The company's dividends should take into account the characteristics of the business climate changes, the life cycle needs of each product or service for future funds and long-term financial planning. Under the goal of maintaining a stable dividend, the distribution of shareholder dividends is based on the principle of allocating Cash dividends. However, if the company has capital needs such as capacity expansion, financial structure improvement, and major investment plans, more than 50% will be stock dividends, and the rest will be cash dividends.

2. Legal surplus reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares. However, the issue of new shares or cash shall be limited to the portion of the reserve exceeding 25% of the paid-in capital.

- 3.(1) When the company distributes the surplus, according to laws and regulations, the debit balance of other equity items on the balance sheet date of the current year must be withdrawn from the Special surplus reserve before distribution. When the debit balance of other equity items is reversed later, the reversed amount may be included in the distributable surplus.
- (2) When adopting IFRSs for the first time, according to the special surplus reserve listed in Jin Guan Zheng Fa Zi No. 1010012865 letter dated April 6, 2012, if the company subsequently uses, disposals or rearranges related assets, it may reverse the original special surplus reserve ratio to distributable retained earnings.
4. The company's 2021 and 2020 annual Surplus appropriation and Dividend per share resolutions in June 2022 and August 2021 are as follows:

Item	Surplus appropriation		Dividend per share(Yuan)	
	Year 2021	Year 2020	Year 2021	Year 2020
Legal surplus reserve	\$ 14,023	\$ 3,632		
Common stock dividend	114,400	57,200	\$ 0.20	\$ 0.10
Total	<u>\$ 128,423</u>	<u>\$ 60,832</u>		

5. On March 14, 2023, the company proposed the year 2022 profit distribution plan by the board of directors as follows:

	Surplus appropriation	Dividend per share (Yuan)
Legal surplus reserve	\$ 14,952	
Cash dividend	57,200	\$ 0.10
Total	<u>\$ 72,152</u>	

The appropriation of earnings for Year 2022 is subject to the resolution of the annual shareholders' meeting to be held in June 2023.

6. For the proposals of the company's board of directors and the resolution of the shareholders' meeting on profit distribution, please visit the Website: "Public Information Observatory" of the Taiwan Stock Exchange.

(XXVII) Special surplus reserve

Item	Dec. 31, 2022	Dec. 31, 2021
Plant construction preparation	\$ 500,000	\$ 500,000
Applying International Accounting Standards as first time	310,918	310,918
Total	<u>\$ 810,918</u>	<u>\$ 810,918</u>

1. Plant construction preparation is a special surplus reserve for the construction of domestic or overseas plants, which was approved by the shareholders' meeting in 1994.
2. The Company reclassified the unrealized revaluation increment previously recognized under General Accepted Accounting Principles of R.O.C. to Retained earnings of 341,766 thousand yuan due to the first-time adoption of IAS. According to the No. 1010012865 order of Jin Guan Zheng Fa Zi, the Special surplus reserve of the same amount should be withdrawn, however, since the adjustment of retained earnings on the conversion date is only 319,012 thousand yuan, the amount of the special reserve is 319,012 thousand yuan.
3. The Special surplus reserve listed above due to the adoption of IFRSs for the first time, if the company uses it later, when disposal or rearrange related assets, the ratio of the original special surplus reserve can be reversed to distributable retained earnings. As of December 31, 2022, the 8,094 thousand yuan was transferred to the undistributed surplus due to the reversal of the original special surplus reserve ratio of the Disposal Investment property.

(XXVIII) Other equity

Item	Unrealized (loss) loss via other comprehensive income financial assets measured by Fair value	
	Year 2022	Year 2021
Opening balance	\$ 551, 296	\$ 500, 520
Via Other comprehensive income Measured at fair value Equity instrument investment Unrealized valuation (Loss) Gain	(19, 824)	50, 042
Disposal Via other comprehensive income measured at fair value Equity instrument Adopt the Equity method to recognize the shares of Associates and Joint ventures	(475)	(254)
Via Other comprehensive income Measured at fair value Equity instrument investment Unrealized valuation (Loss) Gain	(7, 048)	988
Ending balance	\$ 523, 949	\$ 551, 296

(XXIX) Treasury stocks

1. The changes in the investment in the Company's stock held by Subsidiary as treasury stock are summarized as follows:

Year 2022:

Item	Beginning shares number	Current Increase (Decrease)	Unit: thousand shares
			Share numbers end-period
Shares of parent company held by subsidiary			
Transfer from long-term investment to treasury stocks			
	2, 113	–	2, 113

Year 2021:

Item	Beginning shares number	Current Increase (Decrease)	Unit: thousand shares
			Share numbers end-period
Shares of parent company held by subsidiary			
Transfer from long-term investment to treasury stocks			
	2, 113	–	2, 113

2. The company obtained control over Southeast Paper Manufacturing Co. at the end of December 2011, so it transferred its Billing as investment to the parent company (Financial assets measured at fair value via other comprehensive income — Non-current) with a book value of 24,509 thousand yuan. According to the Shareholding ratio 49.71% transferred to treasury stocks, the amount on December 31, 2022 and 2021 is 12,185 thousand yuan. The market prices of the above-mentioned Southeast Paper Manufacturing Co. holding the company's stock on December 31, 2022 and 2021 are 39,511 thousand yuan and 42,786 thousand yuan respectively. Shares of parent company held by subsidiary are treated as Treasury stock and still enjoy the right to dividend distribution.

(XXX) Noncontrolled equity

Item	Year 2022	Year 2021
Opening balance	\$ 86, 984	\$ 58, 910
Share vested in non-controlled equity:		
Net profit for the year	(40, 919)	(6, 174)
Variation value of other comprehensive income for the year	(44)	(10)
Noncontrolled equity	48, 941	34, 258
Increase/Decrease		
Ending balance	\$ 94, 962	\$ 86, 984

(XXXI) Operating revenue

Item	Year 2022	Year 2021
Customer contract income		
Sales revenue	\$ 1,746,460	\$ 1,553,923
Sale of real estate revenue	–	233,760
Engineering income	15,145	–
Total customer contract Operating revenue	\$ 1,761,605	\$ 1,787,683
Minus: sales discount	(218)	–
Customer contract Operating revenue Net amount	\$ 1,761,387	\$ 1,787,683
Lease revenue	32,628	59,102
Operating revenue Net amount	\$ 1,794,015	\$ 1,846,785

1. Description of customer contract

A. Sales revenue

The sales revenue of cement and furnace slag powder products in the production department is mainly sold as dealers, and they are sold at a fixed price as agreed in the contract.

B. Sale of real estate

The Construction department mainly sells to unspecified house buyers at a fixed price as agreed in the contract.

2. Other operating revenue

Lease income from operating leases is recognized as income on a straight-line basis over the Lease period.

3. Revenue from customer contracts is broken down as follows:

The Company's revenue can be broken down into the following major product lines and geographic regions:

	Year 2022	Year 2021
Major regional markets		
Taiwan	\$ 1,761,387	\$ 1,787,683
Main products line		
Cement	\$ 1,373,855	\$ 1,301,477
Furnace slag powder etc.	172,357	200,855
Raw material	1,370	9,400
Ready-mix concrete	198,660	42,191
Land and housing	–	233,760
Project revenue	15,145	–
Total	\$ 1,761,387	\$ 1,787,683
Revenue recognition time & point		
Satisfy performance obligations at a certain point in time	\$ 1,746,242	\$ 1,787,683
Satisfy the performance obligation gradually over time	15,145	–

Total	\$ 1,761,387	\$ 1,787,683

4. Contract balance

The Group recognized receivables and contract liabilities related to customer contracts revenue as below:

Item	Dec. 31, 2022	Dec. 31, 2021
Receivables	\$ 374,887	\$ 341,504
Contract liabilities — Current	\$ 18,870	\$ 30,532

5. Significant changes in contract assets and contract liabilities

The changes in contract assets and contract liabilities are mainly due to the difference between the timing of meeting performance obligations and the timing of payment by customers, and there are no other significant changes.

6. The amount recognized as income in the current period from contract liabilities at the beginning of the period and fulfilled performance obligations in the previous period is as follows:

Amount recognized as income in current period	Year 2022	Year 2021
From begin of Contract liabilities	\$ 29,274	\$ 72,296
Performance obligation from prior period satisfied	\$ —	\$ —

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

Character	Year 2022		Total
	Belong to operating cost	Belong to operating expense	
Employee benefit costs			
Salary costs	\$ 56,102	\$ 50,402	\$ 106,504
Labor and health insurance premium	3,912	4,768	8,680
Pension cost	2,390	1,688	4,078
Other employee benefit costs	7,352	4,004	11,356
Depreciation expense	56,944	45,907	102,851
Amortized expense	—	16	16
Total	\$ 126,700	\$ 106,785	\$ 233,485

Character	Year 2021		Total
	Belong to operating cost	Belong to operating expense	
Employee benefit costs			
Salary costs	\$ 49,385	\$ 39,584	\$ 88,969
Labor and health	3,290	3,766	7,056

insurance premium			
Pension cost	2,037	1,179	3,216
Other employee benefit costs	6,548	3,114	9,662
Depreciation expense	44,997	29,506	74,503
Amortized expense	–	23	23
Total	<u>\$ 106,257</u>	<u>\$ 77,172</u>	<u>\$ 183,429</u>

1. According to the articles of association of the company, if the company makes profits in the year, the company allocates employee compensation and directors and supervisors' remuneration at a rate of no less than 2% and no more than 3% of the pre-tax benefits before deducting the distribution of employees and directors and supervisors' remuneration in the current year. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance. Year 2022 and 2021 are distributed equally according to the aforementioned pre-tax benefits not less than 2% of the estimated employee compensation and no more than 3% of the estimated directors and supervisors' remuneration. If there is still a change in the amount after the annual financial report is released, it will be treated as a change in accounting estimate and will be adjusted and recorded in the next year.
2. On March 14, 2023 and March 15, 2022, the company's board of directors resolved to approve Year 2022 and 2021 Employee compensation and Directors' remuneration, and the relevant amounts recognized in the financial report are as follows:

Item	Year 2022		Year 2021	
	Employee compensation	Directors' remuneration	Employee compensation	Directors' remuneration
Amount of allotment resolved	\$ 4,797	\$ 4,797	\$ 3,263	\$ 4,894
Amount recognized in the annual financial report	4,797	4,797	3,263	4,894
Variance amount	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>

The Employee compensation listed above is paid in cash.

3. For information about the Employee compensation and Directors' remuneration resolutions of the company's board of directors, please visit the "Public Information Observatory" of the Taiwan Stock Exchange.

(XXXIII) Interest income

Item	Year 2022	Year 2021
Bank deposit interest	\$ 4,005	\$ 1,036
Interest income of Rental receivable	28	44
Other interest	240	2,725
Total	<u>\$ 4,273</u>	<u>\$ 3,805</u>

(XXXIV) Other revenue

Item	Year 2022	Year 2021
Dividend income	\$ 54,256	\$ 51,560
Compensation for demolition and relocation	114,286	–
Income from sale of air pollution reduction	916	35,512
Income from sale of scrap iron, etc.	156	419
Rent reduction income	3,790	6,245
Other	10,690	14,768
Total	<u>\$ 184,094</u>	<u>\$ 108,504</u>

On October 6, 2022, the Group received a notice from Boyuan Construction Co. to terminate the lease agreement of No. 763, Wannei Section, Sanmin District, Kaohsiung City, and the building on the same lot No. 674, and the lease agreement was terminated on October 14, 2022, in accordance with Article 1 of the Supplemental Lease Agreement and Article 9, Paragraph 1 of the Lease Agreement, in which the lessee paid NT\$114,286 thousand (before tax) to the Group as compensation for the demolition of the above building if the lessee notified the termination of the lease agreement.

Item	Year 2022	Year 2021
Financial assets at fair value through gain or loss and	\$ (35,305)	\$ 19,335
Liability evaluation net (loss) loss		
Disposal of financial assets at fair value through gain or loss	(4,812)	(1,302)
Net foreign currency exchange gain (loss)	17,282	(3,730)
Impairment loss on investment properties	(6,974)	–
Other losses	(7,937)	(5,821)
Lease modification gain	–	232
Other impairment losses	(702)	–
Total	<u>\$ (38,448)</u>	<u>\$ 8,714</u>

For other impairment losses, see Note 6 (39).

(XXXV) Financial costs

Item	Year 2022	Year 2021
Interest bank loans	\$ 14,278	\$ 6,226
Interest lease liabilities	4,389	4,716
Other interest	245	160
Sub-total	<u>\$ 18,912</u>	<u>\$ 11,102</u>
Minus: Eligible assets capitalized	(902)	–
Financial costs	<u>\$ 18,010</u>	<u>\$ 11,102</u>

(XXXVI) Income tax

1. Income tax expenses

(1) The components of income tax expenses as follows:

	Year 2022	Year 2021
<u>Current income tax</u>		
Current income tax incurred	\$ –	\$ –
Overestimation of prior years' income tax	(1, 262)	(2, 207)
Tax on undistributed earnings	–	–
Total current income tax	<u>\$ (1, 262)</u>	<u>\$ (2, 207)</u>
<u>Deferred income tax</u>		
Original generation and reversal of temporary differences	\$ 2, 815	\$ 17, 524
Total deferred income tax	<u>\$ 2, 815</u>	<u>\$ 17, 524</u>
Income tax expense (benefit)	<u>\$ 1, 553</u>	<u>\$ 15, 317</u>

(2) Income tax expense (benefit) related to other comprehensive income: None.

2. A reconciliation of accounting income and income tax expense recognized in gain or loss for the year is as follows:

Item	Year 2022	Year 2021
Net income before income tax	<u>\$ 109, 677</u>	<u>\$ 149, 128</u>
Net income before income tax at statutory tax rate	\$ 21, 935	\$ 29, 825
Effect of adjusting items.		
The effect of exclusion of items from the calculation of taxable income		
Investment loss (gain) recognized under the equity method	(1, 853)	(5, 431)
Gain on suspension of securities transactions	(95)	(30)
Unrealized Inventory loss (gain on reversal)	(1, 261)	(3, 524)
Other Adjustments	(18, 726)	(20, 840)
Net change in deferred income tax	2, 815	17, 524
Overstatement of prior years' income taxes	(1, 262)	(2, 207)
Income tax expense recognized in gain or loss	<u>\$ 1, 553</u>	<u>\$ 15, 317</u>

The income tax rate applicable to the Company is 20% and the tax rate applicable to undistributed earnings is 5%.

In July 2019, the President announced the amendment of the Industrial Innovation Act, which added that if the undistributed earnings from fiscal year 2018 are reinvested in specific assets or technologies up to a certain amount, the amount of such investment can be deducted from the calculation of undistributed earnings. In

calculating the tax on undistributed earnings, the Group has deducted the amount of capital expenditures for reinvestment of undistributed earnings in accordance with the regulations.

3. Deferred income tax assets or liabilities arising from temporary differences, loss carryforwards and investment tax credits:

		Year 2022		
		Opening balance	Recognized as (loss) gain	Ending balance
Deferred income tax assets				
Temporary differences				
Cement to be provided	\$	326	\$ 47	\$ 373
Impairment loss on investment property		40,726	1,395	42,121
Impairment loss on property, plant and equipment		2,441	–	2,441
Impairment loss on property, plant and equipment				
Investment gain or loss recognized under the equity method		2,370	(2,370)	–
Inventory doubtful and impairment losses		5,775	(1,261)	4,514
Other		10,008	(6,599)	3,409
Unused loss carryforwards		19,491	2,809	22,300
Subtotal	\$	81,137	\$ (5,979)	\$ 75,158
Deferred income tax liabilities				
Provision for land appreciation tax	\$	(260,570)	\$ –	\$ (260,570)
Temporary differences				
Depreciation and tax differences		(44,042)	3,164	(40,878)
Subtotal	\$	(304,612)	\$ 3,164	\$ (301,448)
Total	\$	(223,475)	\$ (2,815)	\$ (226,290)

		Year 2021		
		Opening balance	Recognized as (loss) gain	Ending balance
Deferred income tax assets				
Temporary differences				
Cement to be provided	\$	827	\$ (501)	\$ 326
Impairment loss on investment property		40,726	–	40,726
Impairment loss on property, plant and equipment		5,490	(3,049)	2,441
Impairment loss on property, plant and equipment				

	Opening balance	Recognized as (loss) gain	Ending balance
Investment gain or loss recognized under the equity method	1, 866	504	2, 370
Inventory doubtful and impairment losses	9, 298	(3, 523)	5, 775
Other	10, 224	(216)	10, 008
Unused loss carryforwards	28, 984	(9, 493)	19, 491
Subtotal	\$ 97, 415	\$ (16, 278)	\$ 81, 137
Deferred income tax liabilities			
Provision for land appreciation tax	\$ (260, 570)	\$ -	\$ (260, 570)
Temporary differences			
Depreciation and tax differences	(42, 796)	(1, 246)	(44, 042)
Subtotal	\$ (303, 366)	\$ (1, 246)	\$ (304, 612)
Total	\$ (205, 951)	\$ (17, 524)	\$ (223, 475)

4. Items unrecognized as deferred tax assets:

Item	Dec. 31, 2022	Dec. 31, 2021
Deductible temporary differences	\$ 21, 523	\$ 11, 335
Losses deducted	49, 118	25, 170
Total	\$ 70, 641	\$ 36, 505

5. The Company's income tax has been approved by the tax authorities through 2020.

(XXXVII) Other comprehensive income

Item	Year 2022		
	Pre-tax amount	Income tax (expense) benefit	Net after-tax
Items not reclassified to gain or loss:			
Share of Associates and joint ventures recognized using equity method			
Unrealized gain or loss on valuation of investments in equity instruments measured at fair value via other comprehensive income	\$ (1, 811)	\$ -	\$ (1, 811)
Unrealized valuation gains or losses on investments in equity instruments measured at fair value via other comprehensive income	(25, 105)	-	(25, 105)
Recognized in other comprehensive income	\$ (26, 916)	\$ -	\$ (26, 916)

Item	Year 2021		
	Pre-tax amount	Income tax (expense) benefit	Net after-tax
Items not rearranged to gain or loss:			
Recognize share of Associates and joint ventures using equity method			

Item	Pre-tax amount	Income tax (expense) benefit	Net after-tax
Remeasurement of defined benefit plans	\$ (5)	\$ –	\$ (5)
Unrealized valuation gains or losses on investments in equity instruments measured at fair value via other comprehensive income	3,518	–	3,518
Unrealized gains or losses on investments in equity instruments measured at fair value via other comprehensive income	47,502	–	47,502
Recognized in other comprehensive income	\$ 51,015	\$ –	\$ 51,015

(XXXVIII) Earnings per common share

Item	Year 2022	Year 2021
A. Basic EPS:		
Current net profit	\$ 149,043	\$ 139,985
Weighted average No. of shares in circulation current period (Thousand)	569,887	569,887
Basic EPS (after tax) (Yuan)	\$ 0.26	\$ 0.25
B. Diluted EPS:		
Current net profit	\$ 149,043	\$ 139,985
Potential Common stock impact with dilution	–	
Current net profit of Calculating Diluted EPS	\$ 149,043	\$ 139,985
Weighted average No. of shares in circulation current period (Thousand)	\$ 569,887	\$ 569,887
Employee compensation impact number (Note)	298	63
Weighted average of Calculating Diluted EPS	\$ 570,185	\$ 569,950
No. of outside shares (Thousand)		
Diluted EPS (after tax) (Yuan)	\$ 0.26	\$ 0.25

(Note) If the company can choose to issue employee compensation in stock or cash, when calculating Diluted EPS, it is assumed that employee compensation will be issued in stock, and when the potential common stock has a diluting effect, it is included in the weighted average number of shares in circulation to calculate Diluted EPS. When deciding on Employee compensation to issue the Calculating Diluted EPS before Number of shares in the next year, the dilution effect of these potential common stocks will continue to be considered.

(XXXIX) Business consolidated

1. Acquisition of subsidiary

Company name	Acquisition date	Voting Ownership Equity/Acquisition ratio (%)	Transfer consideration
Da Yang Construction	2022.12.5	100%/100%	\$ 100,300

- (1) Da Yang Construction Co.: The Group has purchased more equity in Da Yang Construction Co. for long-term business development considerations, investment strategies for diversified operations, and clear division of leadership. As a result, the Group's shareholding in Da Yang Construction Co. increased from 0% to 100%.

2. Assets acquired, and liabilities assumed at the date of acquisition

	<u>Da Yang Construction</u>
Current assets	
Cash and cash equivalents	\$ 101, 182
Accounts receivable	2, 434
Prepayments	558
Non-current assets	
Deposit guarantee	6
Current debts	
Accounts payable	(3, 913)
Contract liabilities	(669)
Recognized net assets	<u>\$ 99, 598</u>

3. Goodwill arising on acquisition (Impairment loss)

	<u>Da Yang Construction</u>
Transfer consideration	\$ 100, 300
Minus: Fair value of recognized net assets acquired	(99, 598)
Goodwill arising on acquisition (Impairment loss)	<u>\$ 702</u>

4. Net cash outflow from acquisition of subsidiaries

	<u>Da Yang Construction</u>
Consideration paid in cash	\$ 100, 300
Minus: Obtain Cash and cash equivalents balance	(101, 182)
Total	<u>(882)</u>

5. From the acquisition date to Dec. 31, 2022, the revenue generated from the above subsidiaries is 15,145 thousand yuan.
6. If the merger had occurred at the beginning of the year, the Group's pro forma operating revenue would have been 467 thousand yuan.

VII. Related party transaction

(I) Parent company and ultimate controller:

The Company is the ultimate controller of the Group.

(II) Related party name and Relation

<u>Related party name</u>	<u>Relations with merged company</u>
Southeast Industrial Construction Co.	Associates
Nanxia Wood Industry Co.	Associates
Taiwan Machinery Shipbuilding Co.	Associates
Penghu Cable TV Co.	Associates
Penghu Bay Co.	Associates
Zhonglian Resources Co.	Other related parties
Baifu Investment Co.	Other related parties
Chint Cement Plant Co.	Other related parties
Chint Resources Development Co.	Other related parties
East Tree Investment Co.	Other related parties
Taiwan concrete industry co.	Other related parties
Taiwan-Mix Resources Development Co.	Other related parties
Chen Zhaoshu Charity Foundation	Other related parties
Tiancheng concrete industrial Co.	Other related parties
Zheng Chen Dunling	Other related parties
Chen Lifei	Other related parties
Huang Meiyu	Other related parties
Chen Jianhao	Other related parties
Chen Guanhua	Other related parties
Dongyue Investment Co.	Other related parties
Da Hao Enterprise Management Co.	Other related parties

(III) Significant Transactions with related party

1. Operating revenue:

<u>Item</u>	<u>Relative type/Name</u>	<u>Year 2022</u>	<u>Year 2021</u>
Sales revenue	Other related parties		
	Tiancheng concrete industrial Co.	\$ 169,876	\$ 113,758
	Others	33,675	31,723
	Total	<u>\$ 203,551</u>	<u>\$ 145,481</u>
Rental income	Associates	\$ 141	\$ 141
	Other related parties	41	41
	Total	<u>\$ 182</u>	<u>\$ 182</u>

(1) Sales revenue:

The Group's sales price of the above companies is roughly equivalent to that of general customers. The average collection period is about 2-3 months, and the collection will be extended within one month after the two parties agree.

(2) Rental income:

The Group leases to the above companies, the lease price is in accordance with the contract, and the rental is charged monthly.

2. Purchase:

Related party type	Year 2022	Year 2021
Other related parties		
Other	\$ 78	\$ 556

The group's purchase price to the above companies is approximately equivalent to that of general suppliers, and the average payment period is about 3 months.

3. Contract assets: None.

4. Contract liabilities:

Relative type/Name	Dec. 31, 2022	Dec. 31, 2021
Other related parties	\$ -	\$ 320

5. Receivables from related parties (Excluding loans to related parties) :

Item	Relative type/Name	Dec. 31, 2022	Dec. 31, 2021
Accounts receivable	Other related parties		
	Tiancheng concrete industrial Co.	\$ 30,852	\$ 34,842
	Others	3,807	-
Subtotal		\$ 34,659	\$ 34,842
Minus: Allowance losses		(416)	(418)
Net amount		\$ 34,243	\$ 34,424
Deposit guarantee	Other related parties	\$ 7,346	\$ 7,346

In year 2022 and 2021, the expected credit losses recognized (reversed) for the above Receivables from related parties are (2) thousand yuan and (29) thousand yuan respectively.

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

Item	Related party type	Dec. 31, 2022	Dec. 31, 2021
Deposit guarantee	Associates	\$ 60	\$ 60
Other current liabilities	Associates		
	Taiwan Machinery Shipbuilding Co.	\$ -	\$ 7,474

(1) In 2022 and Dec. 31, 2021, the Group will collect sales commissions to be paid to advertising companies on behalf of Associates-Taiwan Machinery Shipbuilding Co., which are 0 thousand yuan and 1,524 thousand yuan respectively, Billing as Other current liabilities-under temporary receipts.

(2) In 2022 and Dec. 31, 2021, the Group will collect land sale payments on behalf of Associates-Taiwan Machinery Shipbuilding Co., which are 0 thousand yuan and 5,950 thousand yuan respectively, under Billing as Other current liabilities-collection.

7.Prepayment:

Relative type/Name	Dec. 31, 2022	Dec. 31, 2021
Associates		
Others	\$ 2	\$ 2

8.Property transaction:

(1) Acquire Financial assets:

Year 2022:

Relative type/Name	Underlying transection	Transaction amount
Other related parties		
East Tree Investment Co.	Da Yang Construction Co. Shareholding 3,600 thousand shares	\$ 40,120
Chen Guanhua	Da Yang Construction Co. Shareholding 2,700 thousand shares	30,090
	Total	\$ 70,210
Associates		
Southeast Industrial Construction Co.	Da Yang Construction Co. Shareholding 2,700 thousand shares	\$ 30,090

The transaction price of the above shares was determined by mutual bargaining with reference to the net value per share of Invested Company, and the transaction price has been paid in full as of December 31, 2023.

9.Lease agreement:

(1) Right-to-use assets Lessee acquired

Billing item/Relative type/Name	Lease subject	Year 2022	Year 2021
Obtain Right-to-use assets			
Other related parties			
Chint Cement Plant Co.	Gaonan Section and other lands	\$ -	\$ 39,479
Taiwan Concrete Industry Co.	Shande section and other land	47,610	22,018
	Total	\$ 47,610	\$ 61,497

Billing item/Relative type/Name	Dec. 31, 2022	Dec. 31, 2021
Lease liability		
Other related parties		
Chint Cement Plant Co.	\$ 61,690	\$ 81,358
Zheng Chen Dunling	13,760	15,051
Taiwan Concrete Industry Co.	155,085	137,996
Others	1,415	2,816
Total	<u>\$ 231,950</u>	<u>\$ 237,221</u>

Billing item/Relative type/Name	Year 2022	Year 2021
Interests expense		
Other related parties	<u>\$ 3,625</u>	<u>\$ 3,838</u>

(2) Lease agreement:

Relative type/Name	Year 2022	Year 2021
Associates	<u>\$ 12</u>	<u>\$ 12</u>

The terms of the above lease are based on the contract, and the rent is paid monthly and semi-annually.

10.Rental agreement: please refer to Note 7 (3)1 as description.

11.Loans to related parties: None.

12.Loan from related party: None.

13.Endorsement guarantee: None.

14.Other

(1) Various income

Relative type/Name	Year 2022	Year 2021
Associates	\$ 931	\$ 265
Other related parties	660	549
Total	<u>\$ 1,591</u>	<u>\$ 814</u>

(2) Part of the land of the Group is registered in the name of the related party, the details are as follows:

Related party type	Significant Transactions
Other related parties	
Huang Meiyu	Wulin Section of Renwu District 0681、0733、0739、0741、0834-1、0835、0836、0839、0846、1347、1348、1350-1353、1355、1359、1365、1367、1381-1382 Land number、Green Park Section, Renwu District 112-114、180-182 Land number
Chen Jianhao	Wulin Section of Renwu District 0674、0676、0745 Land number

(3) Significant contract conclusion:

A. The Group signed a lease Obtain Right-to-use assets with related parties, the relevant content is detailed in Note 9 as the description.

B. Conclude the content of the joint construction and sub-sale contract with the related party, please refer to the description of Note 9.

(IV) Compensation Information for Key Management

Item	Year 2022	Year 2021
Salary and other Short-term employee benefits	\$ 14,791	\$ 12,571
Post-employment benefits	392	327
Other Long-term employee benefits	–	–
Termination benefits	–	–
Share-based payment	–	–
Total	<u>\$ 15,183</u>	<u>\$ 12,898</u>

VIII. Pledged assets

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

Item	Dec. 31, 2022	Dec. 31, 2021
Investment property	<u>\$ 2,824,470</u>	<u>\$ 2,824,470</u>

Time deposit with performance guarantee provided, Billing as Deposit guarantee item, please refer to Note 6 (16) as description.

IX. Significant Contingent Liability and Unrecognized Contractual Commitment

(I) As of 2022 and Dec. 31, 2021, the details of the Group's unused letters of credit are as follows: None

(II) As of 2022 and Dec. 31, 2021, the amount of Deposit out Guarantee Notes issued by the Group due to loans and performance guarantees and the amount of Deposit Guaranteed Notes received due to performance guarantees are as follows:

Item	Dec. 31, 2022	Dec. 31, 2021
Deposit out Guarantee Notes (Guaranteed Notes payable)	\$ 1,527,313	\$ 895,452
Deposit Guaranteed Notes (Guaranteed Notes receivable)	112,713	80,154

(III) The Group and Taiwan Machinery Shipbuilding Co., Ltd. signed a joint construction sub-sale contract, the relevant content description as below:

Taiwan Machinery Shipbuilding Co., Ltd. for the Land number 969, located at Dongan Section, Dongshan District, Tainan City, the land area is 4819.86 square meters, about 1458 pings, willing to provide 41 households of Look-sky Housing built by the

Group, the two parties agreed to sell the premises and land separately, and collect the payments separately, of which the house payment accounted for 75% and the land payment accounted for 25%.

(IV) The Group's Subsidiary-Southeast Gaoliang Co., Ltd. was approved by the board of directors on September 27, 2022 and March 16, 2020, and the related person Taiwan Mixed Resources Development Co., to lease and obtain the Right-to-use assets, important description as below:

1. Lease subject and usage

- (1) Underlying objects: Land and buildings above the Shande Section, Renwu District, Kaohsiung City.
- (2) Usage: It is used for building factories, and it manufactures and sells flowable filler (CLSM).

2. Contractual treaty

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

(2) Rental:

- A. Land: The leased area is 4,488 pings, the monthly rent is 673 thousand yuan (tax excluded), and the rent is fixed to increase by 3% every three years.
- B. Buildings: The Group is responsible for construction expenses of 64,457 thousand yuan and additional construction costs of 23,666 thousand yuan for the leased property.
- C. Construction expense: It is known that the construction and installation are at the Group's own expense, and the Lease period belongs to the Group. However, when the contract is terminated or expires, Taiwan Mixed Resources Development Co. does not need to return the Construction expense paid by the Group for the leased building.

- (3) The second lease increase period: year September 1, 2022 to March 31, 2040

The details of the rental are as follows:

- A. Land: The leased area is 824 pings, and the monthly rental is 124 thousand yuan (before tax). In April 2011, the rental will be increased by 3% according to the previous year's rental, and the rental will be increased by 3% every three years.
- B. Buildings: The construction expense of the leased property undertaken by the Group is 12,000 thousand yuan.
- C. Construction expense: The lessee shall first pay 10% of the total construction expense of the leased building as the contract payment, and the remaining construction expense of the leased building shall be calculated by the lessor according to the construction progress of the construction project, after deducting the contract payment in proportion, issue an invoice to request payment from the lessee.

D. Reference basis for price decision: Real estate valuation report issued by Zhaofeng Real Estate Appraiser Firm.

3. Reference basis for price decision: Real estate valuation report issued by Zhaofeng Real Estate Appraiser Firm.

(V) The Group passed the resolution of the board of directors on May 4, 2021 to bid for land and plant equipment from the Kaohsiung District Court in Taiwan, and the bid was won on May 5, 2021. And the transfer of real estate title will be completed on June 25, 2021.

Important matters description as below:

1. Underlying objects and area: The land area of 1081 Land number, Zhonglinzi Section, Xiaogang District, Kaohsiung City is 18,288 square meters, the building area on the ground is 14,892.42 square meters (including the basement), and the four affiliated mechanical equipment groups.
2. Purpose: For the expansion of circular economy business and the space required for related offices in the future.
3. Total transaction amount: real estate (land and buildings) and movable property totaling 872,000 thousand yuan.
4. Transaction decision method: public auction by the court.
5. Reference basis for price decision: Refer to the real estate market in neighboring areas and the lowest auction price in the court.

(VI) Contracted and Significant capital expenditures not yet incurred:

Item	Dec. 31, 2022	Dec. 31, 2021
Property, plant, and equipment	\$ 228, 995	\$ 21, 366
Right-to-use assets	8, 499	17, 576
Total	<u>\$ 237, 494</u>	<u>\$ 38, 942</u>

(VII) When the group's contractor, Jiongde Construction Co. dismantled the unused raw material storage warehouse on April 1, 2022, it collapsed in the wrong direction, crushing Tai power towers and high-voltage high-speed rail lines. Short circuit of the high-voltage wires of the high-speed rail, resulting in the loss of high-speed rail and Taiwan Railway suspension. The Group received letters from the Taiwan Railway Administration of the Ministry of Communications and the Tainan City Government in April of the year 2022 and June of the year 2022, claiming 7,489 thousand yuan and 2,410 thousand yuan from the Group for the above events. The group has reached a consensus with the contractor - Jiongde Construction Co., and Jiongde Construction Co. is fully responsible for the compensation for the requests made by the Taiwan Railway Administration of the Ministry of Communications and the Tainan City Government according to law. The Group will also urge Jiongde Construction Co. to deal with matters related to compensation claims as soon as possible. As of March 14, 2023, Jiongde Company has completed the above-mentioned compensation payment to Taiwan

Railway and Tainan City Government, in addition, the Group has not received notices and requests for specific compensation amounts from the High-Speed Railway Company and other units.

X. Significant catastrophic Loss: None.

XI. Significant Post-term Events: None.

XII. Others

(I) Capital risk management

Because the Group needs to maintain sufficient capital to meet the needs of expansion and upgrading of plant and equipment. Therefore, the Group's capital management is to ensure that it has the necessary financial resources and operating plans to meet the needs of working capital and capital expenditures in the next 12 months.

(II) Financial instrument

1. Financial instrument's financial risk

Financial risk management policy

In order to reduce related financial risks, the Group is committed to identifying, assessing and avoiding market uncertainties, so as to reduce the potential adverse effects of market changes on the company's financial performance.

The Group's important financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the Group must strictly abide by the relevant financial operating procedures regarding the overall financial risk management and division of powers and responsibilities.

Nature and extent of significant financial risks

(1) Market risk

A. Exchange rate risk

(A) The Group is exposed to exchange rate risk arising from sales, purchases and borrowing transactions that are not denominated in the Group's functional currency. The Group's functional currency is New Taiwan Dollars. These transactions are mainly denominated in US dollars and Renminbi. In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, the Group uses foreign currency deposits to avoid exchange rate risks. The use of such foreign currency deposits can help the Group

reduce but still cannot completely eliminate the impact of foreign currency exchange rate changes.

(B) Exchange rate risk and Sensitivity analysis

		Dec. 31, 2022				
		Carrying amount		Sensitivity analysis		
	Foreign currency	Exchange rate	(NTD)	Change range	Gain and loss impact	Equity impact
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	6,318	30.71	194,047	Appreciation 1%	1,940	–

		Dec. 31, 2021				
		Carrying amount		Sensitivity analysis		
	Foreign currency	Exchange rate	(NTD)	Change range	Gain and loss impact	Equity impact
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	6,530	27.68	180,745	Appreciation 1%	1,807	–

If the currency value of New Taiwan Dollar is relative to the above-mentioned currency Appreciation, if all other change factors remain unchanged, the amount reflected in the above-mentioned currency in 2022 and Dec. 31, 2021 will have an equal but opposite impact.

(C) The aggregated amounts of all exchange gains and losses (including realized and unrealized) recognized in Year 2022 and 2021 due to the significant impact of exchange rate fluctuations on the Group's Monetary items are 17,282 thousand yuan and (3,730) thousand yuan respectively.

B. Price risks

Since the Group holds investments in equity instruments, the Group is exposed to the price risk of equity instruments. The Group's equity instrument invested in the individual balance sheet is classified as gain and loss financial assets measured by Fair value and financial assets measured at fair value via other comprehensive income.

The Group mainly invests in the equity instruments of domestic listed cabinets and domestic Unlisted OTC. The prices of these equity instruments will be affected by the uncertainty of the future value of the investment target.

If the equity price rises or falls by 1%, the year 2022 and 2021 after-tax profit and loss will increase or decrease by 5,575 thousand yuan and 2,487

thousand yuan respectively due to the increase or decrease in the Fair value of financial assets at fair value through gain or loss. The year 2022 and 2021 after-tax Other comprehensive income will increase or decrease by 12,338 thousand yuan and 12,595 thousand yuan respectively due to the increase or decrease in the Fair value of financial assets measured by Fair value via other comprehensive income.

C. Interest rate risks

Financial assets and financial debts carrying amount of the Group were exposed to the interest rate risk on the reporting date as below:

Item	Carrying amount	
	Dec. 31, 2022	Dec. 31, 2021
Fair value interest rate risk:		
Financial assets	\$ 317,218	\$ 520,635
Financial debts	(2,585,823)	(1,610,706)
Net amount	<u>\$ (2,268,605)</u>	<u>\$ (1,090,071)</u>
Net amount:		
Financial assets	\$ 154,960	\$ 91,159
Financial debts	—	—
Net amount	<u>\$ 154,960</u>	<u>\$ 91,159</u>

Sensitivity analysis of Fair value interest rate risk

The Group does not classify any fixed-rate Financial assets and liabilities as measured at fair value via other comprehensive income, and Financial assets measured at fair value via other comprehensive income, and the Derivatives (interest rate swaps) are also not designated as hedging tools under the Fair value hedging accounting model. Therefore, changes in interest rates on the reporting date will not affect gain or loss and other comprehensive net income.

Sensitivity analysis of Interest rate risks with cash flow

The Group's variable-rate financial instruments are floating-rate assets (debt), so changes in market interest rates will cause the effective interest rates to change accordingly, resulting in fluctuations in future cash flows. For every 1% decrease (increase) in market interest rate, the net income of Year 2022 and 2021 will increase (decrease) by 1,550 thousand yuan and 912 thousand yuan, respectively.

(2) Credit Risk

Credit risk refers to the risk that the counterparty of the transaction violates the contractual obligations and causes financial losses to the Group. The Group's credit risk mainly comes from Receivables generated by operating activities, and Bank savings and other Financial Instrument arising from investment activities. Operational credit risk and financial credit risk are managed separately.

Operating-related Credit Risk

In order to maintain the quality of Accounts receivable, the Group has established procedures for credit risk management related to operations.

The risk assessment of an individual customer is based on consideration of the customer's financial situation, the Group's internal credit rating, historical transaction records and current economic conditions may affect the evaluation of customers' payment ability.

Financial Credit Risk

The credit risk of Bank savings and other financial instruments is measured and monitored by the financial department of the Group. The Group's trading objects, and performance counterparties are all creditworthy banks, financial institutions with investment grade or above, corporate organizations and government agencies, corporate organizations, and government agencies. There is no significant credit risk because there is no significant doubt about the performance of the contracts. In addition, the Group is not classified as Investments in debt instruments measured at fair value via other comprehensive income according to Amortized cost and classified as Investments in debt instruments measured at fair value via other comprehensive income.

A. Concentrated credit risk

As of December 31, 2022 and 2021, the Accounts receivable balance of the top ten customers accounted for 71.66% and 78.15% of the Group's Accounts receivable balance respectively, with Concentrated credit risk, the credit concentration risk of the remaining Accounts Receivable is relatively insignificant.

B. Measurement of expected credit impairment loss

(a) Accounts receivable: Simplified method used, please refer to Note 6(4) as description.

(b) The basis for determining whether there is a significant increase in credit risk: None (The Group is not classified as Measured by post-amortized cost and classified as Investments in debt instruments measured at fair value via other comprehensive income)

C. Holding Collateral and other credit increases to avoid the credit risk of financial assets:

The financial impact of the financial assets recognized in the individual balance sheet and the Collateral, Total delivery contract Net amount and other credit enhancement held by the company as guarantee on the maximum amount of credit risk exposure is shown in the following table:

Dec. 31, 2022	Carrying amount	Credit risk maximum exposure reduction amount			
		Collateral	Net amount settlement agreement	Other credit enhancement	Total
Financial instruments apply IFRS 9 impairment as credit-impaired	\$ -	\$ -	\$ -	\$ -	\$ -
Not applied IFRS 9 impairment rules' financial instruments:					
Financial assets at fair value through gain or loss	557,515	-	-	-	-
Via Other comprehensive income measured at fair value financial assets	1,233,829	-	-	-	-
Total	<u>\$ 1,791,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Dec. 31, 2021	Carrying amount	Credit risk maximum exposure reduction amount			
		Collateral	Net amount settlement agreement	Other credit enhancement	Total
Financial instruments apply IFRS 9 impairment as credit-impaired	\$ -	\$ -	\$ -	\$ -	\$ -
Not applied IFRS 9 impairment rules' financial instruments:					
Financial assets at fair value through gain or loss	248,685	-	-	-	-
Via Other comprehensive income measured at fair value financial assets	1,259,476	-	-	-	-
Total	<u>\$ 1,508,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(3) Liquidity risk

A. Liquidity risk management

The goal of the Group's liquidity risk management is to maintain cash and cash equivalents, highly liquid securities and sufficient bank financing required for operations, so as to ensure that the Group has sufficient financial flexibility.

B. Financial debts maturity analysis

The following table summarizes the analysis of the Group's financial debts during the agreed repayment period based on the due date and undiscounted due amount:

Non-derivative financial debts	Dec. 31, 2022						Carrying amount
	Within 6 month	7-12 month	1-2 year	2-5 year	over 5 year	contract cash flow	
Short-term loans	\$1,530,000	\$ -	\$ -	\$ -	\$ -	\$ 1,530,000	\$ 1,530,000
Short-term notes payable	420,000	-	-	-	-	420,000	419,705
Notes Payable	1,920	-	-	-	-	1,920	1,920
Accounts payable	250,786	-	-	-	-	250,786	250,786
Lease liabilities	33,949	41,010	55,809	126,545	439,025	696,338	636,118
Other payables	79,793	9,594	-	-	-	89,387	89,387
Deposit guarantee	6,391	-	2,500	1,502	1,435	11,828	11,828
Total	<u>\$2,322,839</u>	<u>\$ 50,604</u>	<u>\$ 58,309</u>	<u>\$ 128,047</u>	<u>\$ 440,460</u>	<u>\$ 3,000,259</u>	<u>\$ 2,939,744</u>

Further information on lease liability maturity analysis as below:

	Less than 1 year	1-5 year	5-10 year	10-20 year	Total undiscounted lease payment
Lease liability	\$ 74, 959	\$ 182, 354	\$ 165, 912	\$ 273, 113	\$ 696, 338

Dec. 31, 2021							
Non-derivative financial debts	Within 6 month	7-12 month	1-2 year	2-5 year	over 5 year	Contract cash flow	Carrying amount
Short-term loans	\$1, 240, 000	\$ -	\$ -	\$ -	\$ -	\$ 1, 240, 000	\$ 1, 240, 000
Short-term notes payable	82, 000	-	-	-	-	82, 000	81, 969
Notes Payable	1, 696	-	-	-	-	1, 696	1, 696
Accounts payable	194, 523	-	-	-	-	194, 523	194, 523
Lease liabilities	28, 840	30, 927	51, 902	78, 128	129, 904	319, 701	288, 737
Other payables	63, 508	8, 157	-	-	-	71, 665	71, 665
Deposit guarantee	6, 534	44	1, 340	3, 354	12, 685	23, 957	23, 957
Total	\$1, 617, 101	\$ 39, 128	\$ 53, 242	\$ 81, 482	\$ 142, 589	\$ 1, 933, 542	\$ 1, 902, 547

Further information on lease liability maturity analysis as below:

	Less than 1 year	1-5 year	5-10 year	10-20 year	Total undiscounted lease payments
Lease liability	\$ 59, 767	\$ 130, 030	\$ 50, 838	\$ 79, 066	\$ 319, 701

The Group does not expect the point of occurrence of cash flows for the maturity analysis to be significantly earlier or the actual amounts to be significantly different.

2.Type of financial instrument

	Dec. 31, 2022	Dec. 31, 2021
Financial assets		
Financial assets measured by post-amortized cost		
Cash and cash equivalents	\$ 296, 374	\$ 419, 504
Notes and accounts receivable (Including related parties)	374, 887	341, 504
Other receivables	33, 269	2, 214
Other financial assets— Current	164, 540	161, 625
Deposit guarantee	18, 998	12, 749
Financial assets at fair value through gain or loss	557, 515	248, 685
Financial Asset— Current		
Via Other comprehensive income	1, 233, 829	1, 259, 476
Financial assets measured by Fair value— Non-current		

Financial debts**Financial debts measured by
post-amortized cost**

Short-term loan	1, 530, 000	1, 240, 000
Short-term notes payable	419, 705	81, 969
Notes and accounts payable (Including related parties)	252, 706	196, 219
Other payables	89, 387	71, 665
Lease liability (Include within 1 year)	636, 118	288, 737
Deposit guarantee	11,828	23,957

(III) Fair value data:

1. For the Fair value data of the Group's non-financial assets measured by Fair value and financial debts, please refer to Note 12 (3) 3. for details. For the Fair value data of the Group's Investment property measured at cost, please refer to Note 6. (14).

2. 3-level Fair value definition**1st Level:**

The input value of this level refers to the open quotation of the same instrument in the active market of the instrument in the active market. An active market refers to a market that meets all of the following conditions: the commodities traded in the market are homogeneous; willing buyers and sellers can be found in the market at any time and price information is available to the public. The value of the beneficiary certificates invested by the company with public quote in an active market belong to this category.

2nd Level:

The input values of this level include observable input values obtained directly (such as prices) or indirectly (such as deriving from prices) from active markets, other than public-quoted prices in active markets.

3rd Level:

The input value of this level refers to the input parameter for measuring Fair value that is not based on the observable input value available in the market.

3. Financial instruments not measured at fair value:

The Group's financial instruments that are not measured by Fair value, such as Cash and cash equivalents, notes receivable and accounts, Other financial assets, Deposit guarantee, Short-term loan, Short-term notes payable, Payables, Lease liability (including Current and Non-current) and the Carrying amount of the Deposit guarantee is a reasonable approximation of the Fair value.

4. Fair value level data:

The Group's financial instruments measured at fair value are all based on the fair value that is based on repeatability. Fair value level data is shown in the table below:

Item	Dec. 31, 2022			
	1st Level	2nd Level	3rd Level	Total
Assets:				
<u>Repetitive fair value</u>				
Financial assets at fair value through gain or loss				
Public shares	\$ 144,337	\$ –	\$ –	\$ 144,337
Open-end fund	396,540	–	–	396,540
Bonds	16,638	–	–	16,638
Other comprehensive income financial assets measured at fair value via other comprehensive income - Stocks				
Financial assets				
Domestic listed stocks	868,897	–	–	868,897
Domestic unlisted stocks	–	–	364,932	364,932
Total	<u>\$1,426,412</u>	<u>\$ –</u>	<u>\$ 364,932</u>	<u>\$ 1,791,344</u>

Item	Dec. 31, 2021			
	1st Level	2nd Level	3rd Level	Total
Assets:				
<u>Repetitive fair value</u>				
Financial assets at fair value through gain or loss				
Public shares	\$ 180,450	\$ –	\$ –	\$ 180,450
Open-end fund	34,165	–	–	34,165
Bonds	34,070	–	–	34,070
Other comprehensive income financial assets measured at fair value via other comprehensive income - Stocks				
Financial assets				
Domestic listed stocks	903,535	–	–	903,535
Domestic unlisted stocks	–	–	355,941	355,941
Total	<u>\$1,152,220</u>	<u>\$ –</u>	<u>\$ 355,941</u>	<u>\$ 1,508,161</u>

5. Fair value evaluation technique of tools measured by Fair value:

- (1) When the financial instrument is publicly quoted in an active market, the public-quoted Fair value in the active market shall be taken. The market price announced by the major exchanges and the central government Bonds OTC trading center that is judged to be a hot bond is the basis for the Fair value of Listed OTC equity instruments and debt instruments with active market quotations.

If the public-quote of financial instruments can be obtained from exchanges, brokers, underwriters, industry associations, pricing service agencies or competent authorities in a timely and frequent manner, and the price represents

actual and frequently occurring fair market transactions, then the financial instrument has a public quote in an active market. If the above conditions are not met, the market is considered inactive. In general, wide bid-ask spreads, significant increases in bid-ask spreads, or very little trading volume are indicators of an inactive market.

For financial instruments held by the Group that have an active market, their fair values are listed as follows by category and attribute:

A. Stocks of listed companies: Closing price.

B. Open-end fund: Net value.

- (2) Except for financial instruments with an active market, the fair value of other financial instruments is obtained through evaluation techniques or by referring to quotations from counterparties. The Fair value obtained through evaluation techniques can refer to the current Fair value of other financial instruments with substantially similar conditions and characteristics, cash flow discount method or Other Evaluation technique, including the calculation based on the market data available on the Balance sheet day with Using-model.

The Unlisted OTC stocks of company held by the Group without an active market mainly use Market law and Asset law to estimate Fair value, the judgment is based on the evaluation of similar companies, third-party quotations, company net worth and operating status evaluation. The Significant unobservable input value used for Fair value measurement is listed in the following table:

Dec. 31, 2022:

Item	Evaluation technique	Significant unobservable input value	Range	Input value and fair value relationship
Financial assets measured at fair value via other comprehensive income-Stocks	Asset law	1.Lack of control discount rate	10.71%~18.17%	Higher control discount, Lower fair value estimate
		2.Lack of liquidity discount rate	17.65%~27.52%	Higher liquidity discount, Lower fair value estimate
Financial assets measured at fair value via other comprehensive income-Stocks	Market law	Lack of liquidity discount rate	17.06%~32.27%	Higher liquidity discount, Lower fair value estimate
				Lower fair value estimate

Dec. 31, 2021:

Item	Evaluation technique	Significant unobservable input value	Range	Input value and fair value relationship
Financial assets measured at fair value via other comprehensive income-Stocks	Asset law	1.Lack of control discount rate	10.71%~16.74%	Higher control discount, Lower fair value estimate
		2.Lack of liquidity discount rate	18.48%~32.28%	Higher liquidity discount, Lower fair value estimate
Financial assets measured at fair value via other comprehensive income-Stocks	Market law	Lack of liquidity discount rate	16.93%~32.27%	Higher liquidity discount, Lower fair value estimate
				Lower fair value estimate

6. Move between 1st Level and 2nd Level: None.

7. 3rd Level changes list:

Item	Via Other comprehensive income measured by Fair value Financial Asset— Unlisted OTC stocks	Item	Via Other comprehensive income measured by Fair value Financial Asset— Unlisted OTC stocks
Jan. 1, 2022	\$ 355, 941	Jan. 1, 2021	\$ 315, 420
Obtained in this period	–	Obtained in this period	15, 473
Current capital reduction refund of share	–	Current capital reduction refund of share	(1, 478)
Disposal this period	(542)	Disposal this period	–
Recognized Other comprehensive income	9, 533	Recognized Other comprehensive income	26, 526
Dec. 31, 2022	<u>\$ 364, 932</u>	Dec. 31, 2021	<u>\$ 355, 941</u>

8. Fair value is classified into 3rd Level evaluation process:

The Group's classification of Fair value into the 3rd Level evaluation process uses independent source data to make the evaluation results close to the market status, and regularly reviews to ensure that the evaluation results are reasonable.

9. Sensitivity analysis for Fair value measurement of Financial assets and Financial debts at 3rd Level, Fair value for reasonable and possible alternative assumptions: None.

(IV) Financial assets transfer: None.

(V) Financial assets and financial debts offset: None.

XIII. Notes Disclosures

(I) Major transaction information:

1. Funds Loan to Others: Note 1

2. Other Endorsement guarantee: Table-2.

3. Securities holders at the end of the period: Table-3.

4. The cumulative amount of purchases or sales of the same securities reaches NT\$300 million or 20% of the paid-in capital: None.
 5. Amount of Real estate acquired: NT\$300 million or more than 20% of Paid-in capital: Table-4.
 6. Disposal of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.
 7. The amount of purchase or sale of goods with related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached).
 8. Receivables from related parties amounting to NT\$100 million or more than 20% of the paid-in capital: None.
 9. Engaged in derivative transactions: None.
 10. Business relationship and important transactions between parent company and subsidiary: Table-6.
- (II) Joint venture business information: Table-7.
- (III) Mainland investment information: Not applicable.
- (IV) Major shareholder information: Table-8.

Table-1

Southeast Cement Corp., Ltd. and Subsidiaries

Details of Funds Loan to Others

Dec. 31, 2022

Unit: NTD thousand

No.	Company name loan to others	Loan object	Dealing item	Related party or not	Current highest balance	Ending balance	Actual spend amount	Interest rate range	Loan and nature	Business transaction amount	Reasons for short-term financing	Bad debts provision	Collateral		Loan and fund limit for individual object	Loan and maximum limit
													Name	Value		
0	Southeast Cement Corp.	Dongni Construction Co. (Note 4)	Other receivables - Related person	Yes	400,000	-	-	0.975%	2	-	Operating turnover	-	-	-	431,585 (Note 1)	863,171 (Note 2)

Note 1: Fund loan and limit for individual objects:

(1) Those who have business dealings with the company:

The loan amount shall not exceed the limit of the business transaction amount between the enterprise and the company in the most recent year (the so-called business transaction amount refers to the total amount of purchase, sale and provision of labor services between the two parties) and shall not exceed 5% of the company's current net value.

(2) Those who need short-term financing with the company:

It is limited to no more than 5% of the company's current net value.

Note 2: Capital loan and maximum limit:

(1) Those who have business dealings with the company:

It should not exceed 10% of the net value of the current period.

(2) Those who need short-term financing with the company:

It should not exceed 10% of the net value of the current period.

Note 3: The filling method of capital loan and nature is as follows:

(1) Fill in 1 for those who have business contacts.

(2) If there is a need for short-term financing, fill in 2.

Note 4: Formerly known as Southeast Assets Development Company.

Note 5: The above transaction between the parent company and the subsidiary company has been **charge off**.

Table-2

Southeast Cement Corp., Ltd. and Subsidiaries

Endorsement guarantees for others

Dec. 31, 2022

Unit: NTD thousand

No.	Endorsement guaranteed Company name	Endorsement guaranteed object		Single enterprise Endorsement guarantee limit	The period max. Endorsement guarantee balance	End-term endorsement guarantee balance	Actual spend amount	Property endorsement guarantee amount	Ratio of cumulated endorsement guarantee net-amount recent financial report	Endorsement guarantee max. limit	Parent-to- subsidiary endorsement guarantee	Subsidiary- to-parent endorsement guarantee	Endorsement guarantee - Mainland China area
		Company name	Relation (Note 1)										
1	Southeast Investment Co.	Southeast Cement Corp.	3	187,738 (Note 2)	704	704	-	-	0.11%	250,318 (Note 3)	-	Y	-

(Note 1): There are seven types of relationships between the endorsement guarantor and the subject of the endorsement guarantee, as follows:

1. Companies with business relationship.
2. A company in which the company directly or indirectly holds more than 50% of the voting shares.
3. Companies that directly and indirectly hold more than 50% of the company's voting shares.
4. Between companies in which the company directly and indirectly holds more than 90% of the voting shares.
5. Based on the needs of contracting projects, companies in the same industry or co-constructors are mutually insured according to the contract.
6. A company that has an endorsement guarantee from all contributing shareholders in proportion to their shareholding due to joint investment.
7. Inter-industry companies that are engaged in the performance guarantee of pre-sale house contracts in accordance with the Consumer Protection Act.

(Note 2): Not to exceed 30% of the net value of the subsidiary's most recent audited or reviewed financial statements.

(Note 3): Not to exceed 40% of the net value of the subsidiary's most recent audited or reviewed financial statements.

Table-3

Southeast Cement Corp., Ltd. and Subsidiaries

Ending-List of Marketable Securities

Dec. 31, 2022

Unit: thousand shares; NTD thousand

Companies held	Securities type and name	Relation with securities issuers	Billing Subject	Period-ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
Southeast Cement Corp., Ltd.	Stocks – Domestic building materials industry	None	Financial assets measured at fair value via other comprehensive income	3,432	86,665	0.29	86,665	
	Stocks - Zhonglian Resources	Company is that Company corporate director	Financial assets measured at fair value via other comprehensive income	13,084	601,855	5.26	601,855	
	Stocks - Chunghwa Telecom	None	Financial assets measured at fair value via other comprehensive income	360	40,680	-	40,680	
	Stocks – Taiwan Cement	None	Financial assets measured at fair value via other comprehensive income	1,044	35,134	-	35,134	
	Stocks – Yuan Tai Gold	None	Financial assets measured at fair value via other comprehensive income	563	12,226	-	12,226	
	Stocks – Crystal Technology	None	Financial assets measured at fair value via other comprehensive income	80	6,616	-	6,616	
	Stocks – Nandi	None	Financial assets measured at fair value via other comprehensive income	1	13	-	13	
	Stocks – China Steel	None	Financial assets measured at fair value via other comprehensive income	600	17,880	-	17,880	
	Stocks – Hongquan	None	Financial assets measured at fair value via other comprehensive income	202	17,569	-	17,569	

Companies held	Securities type and name	Relation with securities issuers	Billing Subject	Period-ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
	Stocks— China Rubber International	None	Financial assets measured at fair value via other comprehensive income	354	6,890	-	6,890	
	Stocks - Emerging Shipping	None	Financial assets measured at fair value via other comprehensive income	190	3,791	-	3,791	
	Stocks— Fubon Financial Holdings	None	Financial assets measured at fair value via other comprehensive income	485	27,318	-	27,318	
	Stocks-Yongyu	None	Financial assets measured at fair value via other comprehensive income	52	1,710	0	1,710	
	Stocks-China Carbon Corp.	None	Financial assets measured at fair value via other comprehensive income	100	10,550	0	10,550	
	Stocks-Kaohsiung MRT	None	Financial assets measured at fair value via other comprehensive income	11,117	89,371	3.99	89,371	
	Stocks-Yuhua Venture Capital	Company is that Company corporate director judicial director	Financial assets measured at fair value via other comprehensive income	20	272	5.00	272	
	Stocks-Chinese goods	None	Financial assets measured at fair value via other comprehensive income	15	1,377	3.84	1,377	
	Stocks-Huanmeng International	Company is that Company corporate director	Financial assets measured at fair value via other comprehensive income	2,333	41,824	16.67	41,824	
	Stocks-One-Card	Company is that Company corporate director	Financial assets measured at fair value via other comprehensive income	3,828	16,659	3.36	16,659	
	Total				1,018,400		1,018,400	
	Funds— Prudential Financial	None	Financial assets at fair value through gain or loss	50	13,394	-	13,394	

Companies held	Securities type and name	Relation with securities issuers	Billing Subject	Period-ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
	Bonds — Boeing Co.	None	Financial assets at fair value through gain or loss	500	10,831	-	10,831	
	Bonds — Pfizer	None	Financial assets at fair value through gain or loss	200	5,807	-	5,807	
		Total			30,032		30,032	
Dongni Construction Co., Ltd.	Funds — Risheng Currency	None	Financial assets at fair value through gain or loss	6,637	100,020	-	100,020	
	Funds — Mega Diamond Currency	None	Financial assets at fair value through gain or loss	7,847	100,020	-	100,020	
	Funds — Qunyi Stable Currency	None	Financial assets at fair value through gain or loss	6,104	100,020	-	100,020	
		Total			300,060		300,060	
Southeast Investment Co.	Stocks — Chint Cement Plant	Chairman of Board is Chairman of the Company	Financial assets measured at fair value via other comprehensive income	2,383	137,163	13.86	137,163	
	Stocks — Taiwan Concrete	Chairman of Board is Chairman of the Company - Biparental relative	Financial assets measured at fair value via other comprehensive income	1	41,460	4.21	41,460	
	Stocks — Taiwan Implant Technology	None	Financial assets measured at fair value via other comprehensive income	701	3,514	4.20	3,514	
	Stocks — Dushanlin Development	None	Financial assets measured at fair value via other comprehensive income	3,840	33,292	-	33,292	
		Total			215,429		215,429	
	Funds — Cathay Pacific II	None	Financial assets at fair value through gain or loss	500	8,900	-	8,900	
	Stocks — Fubon Financial Holdings	None	Financial assets at fair value through gain or loss	139	7,803	-	7,803	
	Stocks — Taiwan Chemical Fiber	None	Financial assets at fair value through gain or loss	17	1,222	-	1,222	

Companies held	Securities type and name	Relation with securities issuers	Billing Subject	Period-ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
	Stocks – Zhongxing Security	None	Financial assets at fair value through gain or loss	292	29,232	-	29,232	
	Stocks – Taiwan Cement	None	Financial assets at fair value through gain or loss	2,926	98,464	-	98,464	
	Stocks – China Union Capital	None	Financial assets at fair value through gain or loss	30	1,394	-	1,394	
	Stocks – Mega Financial Holdings	None	Financial assets at fair value through gain or loss	205	6,222	-	6,222	
		Total			153,237		153,237	
Southeast Paper Manufacturing Co.	Stocks – Southeast Cement	Parent company of the company	Financial assets measured at fair value via other comprehensive income	2,113	39,511	0.37	39,511	Note
Southeast Miller International Co.	Funds – Fubon Lucky Currency	None	Financial assets at fair value through gain or loss	4,663	74,186	-	74,186	

Note: The stocks of the parent company held by the above-mentioned invested companies have been transferred to treasury stocks according to the Shareholding ratio.

Table-4

Southeast Cement Corp., Ltd. and Subsidiaries

Amount of Real estate acquired: NT\$300 million or more than 20% of Paid-in capital

1 January to 31 December 2022

Unit: NTD thousand

Company acquiring real estate	Name of Property	Date of Issue	Amount of transaction	Payment situation	Counterparty	Relationship	Trading object is a related party, its previous transfer data				Reference basis for price decision	Acquisition purpose and use	Other agreed matters
							Holder	Relationship with Issuer	Transfer date	Amount			
Southeast Miller International Co.	Right-of-use assets-Land No. 3, Section 4, Economic and Trade Section, Qianzhen District, Kaohsiung City	2022.5.12	2,623,951	Note 2	Southeast Cement Corp.	Subsidiary	Note 2	Note 2	Note 2	Note 2	Refer to appraisal report of professional institution and negotiated by both parties	For shopping malls	Note 1

(Note 1): The subsidiary leases the land from the parent company for future shopping malls. The contract restrictions and other important agreements are as follows:

1. The lease term is 30 years, and the rental is paid monthly (the total monthly rental is NT\$8,065 thousand yuan, which will be increased by 3% every 3 years).
2. When the 30-year lease expires, if it continues to be used as the existing shopping malls, the lessee will be given a 10-year priority lease right.
3. When the lease term expires or the lease is terminated midway, the lessee must dismantle the above-ground objects according to the lessor's instructions or transfer the above-ground objects to the lessor for free.

(Note 2): Right-of-use assets under lease, so Not applicable.

(Note 3): The above right-to-use asset transaction between parent company and subsidiary has been charge-off.

Table-5

Southeast Cement Corp., Ltd. and Subsidiaries

Details of purchases and sales with related parties amounting to NT\$100 million or more than 20% of the paid-in capital

1 January to 31 December 2022

Unit: NTD thousand

Purchases (sales) company	Trading object	Relation	Transaction situation				Situations and reasons why transaction conditions different from general transactions		Notes receivable (payment), accounts		Remarks
			Purchases (sales)	Amount	Purchases (sales) Ratio	Credit period	Unit price	Credit period	Balance	Ratio of total notes receivable (payment) and accounts	
Southeast Cement Corp.,	Tiancheng concrete industrial Co	Other related parties	Sales	167,232	9.83%	About 2-3 months	-	Equivalent	Accounts receivable 30,852	8.30%	

Table-6

Southeast Cement Corp., Ltd. and Subsidiaries

Business relationship and important transactions between parent company and subsidiary

Dec. 31, 2022

Individual transactions of less than 10,000 thousand yuan (inclusive) will not be disclosed; in addition, the asset side and income side will be used as the disclosure method, and the relative transactions will not be disclosed.

Unit: NTD & foreign currency thousand yuan

No. (Note 1)	Trader's name	Transaction objects	Relationship with trader (Note 2)	Transaction status			
				Subject	Amount	Transaction terms	Ratio of Total Consolidated Revenue or Total Asset (Note 3)
0	Southeast Cement Corp.	Southeast Gaoliang Resources Recycling Co.	1	Sales revenue	52,777	It is equivalent to ordinary customers. The average receipt period is about 2-3 months	2.94%
0	Southeast Cement Corp.	Southeast Miller International Co.	1	Accounts receivable	67,397	Note 5	0.56%
0	Southeast Cement Corp.	Southeast Miller International Co.	1	Sales revenue	67,513	Note 5	3.76%
0	Southeast Cement Corp.	Southeast Gaoliang Resources Recycling Co.	1	Accounts receivable	14,943	It is equivalent to ordinary customers. The average receipt period is about 2-3 months	0.12%
1	Southeast Gaoliang Resources Recycling Co.	Southeast Cement Corp.	2	Right-to-use assets	116,748	Note 6	0.97%
2	Southeast Miller International Co.	Southeast Cement Corp.	2	Right-to-use assets	2,572,930	Note 5	21.46%
2	Southeast Miller International Co.	Southeast Cement Corp.	2	Deposit guarantee	24,000	Note 5	0.20%
3	Da Yang Construction Co.	Dongni Construction Co.	3	Sales revenue	23,489	Negotiated project contract prices between two parties and handle according to the contractual treaty payment deadline	1.31%

Note 1: The business transaction information between the parent company and its subsidiaries shall be indicated in the number column respectively. The method of filling in the number is as follows:

1. Parent company fill in 0.
2. Subsidiary is numbered sequentially starting from the Arabic numeral 1 according to the parent company.

Note 2: There are the following three types of Relationship with trader, and with 2 types are available:

1. Parent company to Subsidiary
2. Subsidiary to Parent company
3. Subsidiary to Subsidiary.

Note 3: For the Ratio of transaction amount of total consolidated revenue to total assets, if it belongs to the Balance sheet subject, it is calculated in the way that the ending balance accounts for the total consolidated assets; If it is a profit and loss account, it shall be calculated by the method that the accumulated amount accounts for the total consolidated revenue.

Note 4: The above transaction between parent company and subsidiary has been charge-off.

Note 5: Detailed Table-4(Note 1) as description.

Note 6: It means that the subsidiary leased the land from the parent company for the construction of factories. The contract restrictions and other important agreements are as follows:

1. The lease term is 20 years, and the rental is paid monthly (the total monthly rental is NT\$5,850 thousand yuan, which will be increased by 3% every 3 years).
2. After the lease term expires, the lessee has the priority to lease.

Table-7

Southeast Cement Corp., Ltd.

Joint Venture Business List

Dec. 31, 2022

Unit: thousand shares; NTD thousand											
Investment company name	Invested company name	Location	Main business items	Original investment amount		End period holding			Invested company Current gain and Loss	Current recognized investment gain and loss	Remarks
				Current period end	Last year-end	No. of shares	Ratio	Carrying amount			
Southeast Cement Corp.	Southeast Investment	Kaohsiung City	Stock investment	297,870	297,870	499	99.29	608,461	(20,504)	(20,358)	(Note 2)
	Southeast Industrial Construction	Kaohsiung City	Construction industry	11,361	11,361	36	31.01	72,759	2,392	742	
	Southeast Paper	Kaohsiung City	Cement paper bags	4,971	4,971	5	49.71	22,761	28	14	(Note 2)
	Nanxia Wood Industry	Kaohsiung City	Woodwork	8,540	8,540	1	27.56	11,951	1,742	480	
	Dongni Construction (Note 1)	Kaohsiung City	Construction industry	790,000	290,000	79,000	100.00	786,536	(7,372)	(7,372)	(Note 2)
	Taiwan machine shipyard	Kaohsiung City	Engineering	328,492	328,492	25,611	31.01	319,365	(8,005)	(2,483)	
	Southeast Gaoliang	Kaohsiung City	Waste removal	85,000	50,000	8,500	50.00	68,635	(9,029)	(4,515)	(Note 2)
	Southeast Miller	Kaohsiung City	Real estate leasing industry	50,000	-	5,000	50.00	18,892	(74,209)	(31,108)	(Note 2)
	Dayang Construction	Kaohsiung City	Construction industry	100,300	-	9,000	100.00	100,807	(722)	1,209	(Note 2)
	Subtotal							2,010,167	(40,748)	(63,391)	
	Minus: Shares of parent company held by subsidiary rearrange as treasury stock							(12,185)			
	Total							1,997,982	(40,748)	(63,391)	

Investment company	Invested company	Location	Main business items	Original investment amount		End period holding			Invested company	Current recognized	Remarks
Southeast Investment Co.	Penghu Cable TV	Penghu County	Cable TV	51,093	51,093	8,000	40.00	135,684	25,558	10,223	
	Penghu Bay	Penghu County	Beaches	60,347	60,347	1,663	38.68	16,610	95	37	
	Southeast Industrial Construction	Kaohsiung City	Construction industry	29,381	29,381	12	10.92	30,251	2,392	258	
	Taiwan machine shipyard	Kaohsiung City	Engineering	5,826	5,826	454	0.55	5,855	(8,005)	10	
	Southeast Gaoliang	Kaohsiung City	Waste removal	1,700	1,700	170	1.00	1,373	(9,029)	(90)	(Note 2)
	Southeast Miller	Kaohsiung City	Real estate leasing industry	1,000	-	100	1.00	258	(74,209)	(742)	(Note 2)
Total								190,031	(63,198)	9,696	

Note 1: Formerly known as Southeast Asset Development Co., Ltd.

Note 2: The above transaction between the parent company and the subsidiary company has been charge-off

Table-8

Southeast Cement Corp., Ltd. and Subsidiaries

Major shareholder information

Dec. 31, 2022

Major shareholder name	Holding No. of shares	Shareholding ratio
Dongshu Investment Co.	80,496,816	14.07%
Taiwan Machinery Shipyard Co.	49,292,761	8.62%
Evergreen Co.	40,070,010	7.01%
Fukang Cultural and Educational Foundation	38,829,350	6.79%
Baifu Investment Co.	36,008,148	6.30%
Southeast Cultural Foundation	33,421,803	5.84%
Chen Yueling	28,615,760	5.00%

Note: The Major shareholder information in this table is calculated by CHEP on the last business day at the end of each quarter, and the general shares held by shareholders who have completed delivery without entity registration (including treasury shares)

General shares and special shares totaling more than 5% of the information. As for the share capital recorded in the company's financial report and the company's actual number of shares that have been delivered without physical registration, there may be differences or differences due to the different calculation bases.

XIV. Department Information

(I) General information:

For the purpose of management, the Group's operating decision-maker (Chairman) divides the operating units according to different business types, and divides them into the following reportable departments:

1. Production Department: Mainly engaged in the production and sales of Cement and Furnace slag powder
2. Leasing Department: Mainly engaged in the leasing of Real estate such as Land and Factories
3. Construction Department: Mainly engaged in the Construction and sale of Residential buildings
4. Engineering Department: Mainly engaged in the business of contracting Construction projects

(II) Measurement bases:

The Group's operating decision-makers monitor the operating results of each operating unit to make decisions on resource allocation and performance evaluation. Department performance is evaluated based on business benefit and is measured in a manner consistent with operating profit or loss in the Consolidated Financial Statements. However, the management costs, revenue outside business, and expenses of Consolidated Financial Statements are managed on a group basis and are not apportioned to the operating department.

(III) Departmental financial information:

Year 2022:

	Production dept.	Construction dept	Engineering dept.	Leasing dept.	Adjustment & elimination	Total
Revenue Net amount						
From external customers revenue	\$ 1,746,242	\$ -	\$ 15,145	\$ 32,628	\$ -	\$ 1,794,015
Inter-department Revenue	52,782	-	23,489	68,717	(144,988)	-
Total Revenue Net amount	\$ 1,799,024	\$ -	\$ 38,634	\$ 101,345	\$ (144,988)	\$ 1,794,015
Department benefits	\$ 114,647	\$ -	\$ (202)	\$ 47,294	\$ (68,718)	93,021
Company general Business expense						(124,520)
Revenue outside business and expenses						141,176
Pre-tax net profit						\$ 109,677
Income tax benefit(expense)						(1,553)
After-tax net profit						\$ 108,124
Department assets						\$ 11,989,689
Department liabilities						\$ 3,263,021

Year 2021:

	Production dept.	Construction dept.	Leasing dept. etc.	Adjustment & elimination	Total
Revenue Net amount					
From external customers Revenue	\$ 1,553,923	\$ 233,760	\$ 59,102	\$ -	\$ 1,846,785
Inter-department Revenue	10,130	-	15	(10,145)	-
Total Revenue Net amount	\$ 1,564,053	\$ 233,760	\$ 59,117	\$ (10,145)	\$ 1,846,785
Department benefits	\$ 66,750	\$ 11,675	\$ 21,089	\$ (15)	99,499
Company general Business expense					(87,445)
Revenue outside business and expenses					137,074
Pre-tax net profit					\$ 149,128
Income tax benefit(expense)					(15,317)
After-tax net profit					\$ 133,811
Department assets					\$ 10,958,500
Department liabilities					\$ 2,247,791

(IV) Product and service information:

The Group has classified operating departments based on business types, so product and service information will not be disclosed separately.

1. Regional information:

(1) From external customers Revenue (Customers are categorized based on their country is located):

Country	Year 2022	Year 2021
Taiwan	\$ 1,794,015	\$ 1,846,785

(2) Non-current assets:

Country	Year 2022	Year 2021
Taiwan	\$ 8,175,602	\$ 7,550,350

2. Important customer information:

Customer	Year 2022	
	Amount	Sales Net amount%
Customer A from production dept.	\$ 212,435	11.84%

Customer	Year 2021	
	Amount	Sales Net amount%
Customer A from production dept.	\$ 170,801	9.25%

V. The company's individual financial report certified by accountant for the most recent year:



國富浩華聯合會計師事務所
Crowe (TW) CPAs
80250高雄市苓雅區四維三路
6號27樓之1
27F-1., No.6, Siwei 3rd Rd.,
Lingya Dist.,Kaohsiung City
80250, Taiwan
Tel +886 7 3312133
Fax +886 7 3331710
www.crowe.tw

Accountant Audit Report

Southeastern Cement Corporation:

Audit Opinion

Southeastern Cement Corp., Ltd.'s individual balance sheet in 2022 and December 31, 2021, and the individual comprehensive income statement, individual equity change statement, and individual cash flow from January 1 to December 31 in 2022 and 2021 The tables and notes to individual financial reports (including the summary of major accounting policies) have been checked by our accountants.

In our opinion, based on our audits and the reports of the other auditors (see other matters), the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Cement Corporation as of December 31 of 2022 and 2021, and the results of its operations and its cash flows for the years then ended by the Guidelines Governing the Preparation of Financial Reports by Securities Issuers. The accompanying financial statements are intended only to present fairly, in all material respects, the financial position of Southeast Cement Corporation as of December 31 of 2022 and year 2021 and the results of its operations and its cash flows for the periods from January 1 to December 31 of 2022 and 2021.

Basis of Audit Opinion

We conducted our audit in accordance with the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under those standards is further explained in the paragraph on the accountant's responsibility for the audit of individual financial statements. The staff of the firm to which we belong, who are subject to the Code of Ethics for Accountants, have maintained a high degree of independence from Southeast Cement Corporation and have fulfilled the other responsibilities of that Code. Based on our audit and the

reports of the other auditors, we believe that we have obtained sufficient and appropriate evidence to form the basis of our audit opinion.

Critical Audit Matters

Critical audit matters are those matters that, in our professional judgment, are of most significance in relation to the audit of the financial statements of Southeast Cement Corporation for the year-end of December 31, 2023. These matters have been considered in the process of examining the financial statements taken as a whole and in forming an opinion on those matters. Critical audit matters are those matters that, in our professional judgment, are of most significance in relation to the audit of the financial statements of Southeast Cement Corporation for the year-end of December 31, 2023. These matters have been considered in the process of examining the financial statements taken as a whole and in forming an opinion on those matters.

We have audited the financial statements of Southeast Cement Corporation as a whole and have formed an opinion thereon:

I. Revenue Recognition

For the accounting policies related to revenue recognition, please refer to Note 4(17) to the financial statements; for the significant accounting judgments, estimates, and assumptions related to revenue recognition, please refer to Note 5(1)2 to the financial statements; for the revenue recognition, please refer to Note 6(28) to the financial statements.

Description of Critical Audit Issues:

As Southeast Cement Corporation is principally engaged in the manufacture and sale of various cement-related products, which may be affected by raw material prices, market supply and demand, and economic prosperity, and the cement sales revenue can only meet the performance obligations when the customer actually picks up the cement, and recognized the relevant income, so in year 2022, the cement sales income was recognized as a key critical audit issue.

Corresponding Audit Procedures:

The major auditing procedures of our accountants include understanding and testing the effectiveness of the internal control design and implementation related to cement sales revenue, spot checking samples from the sales subsidiary ledger, and verifying the relevant vouchers of the transaction to verify the authenticity of the revenue recognition, verifying relevant evidence of transactions to verify the authenticity of revenue recognition, obtaining post-period sales details, reviewing significant sales returns and discounts to confirm whether there are significant exceptions to revenue recognition, and performing sales revenue cut-off point tests, etc.

Other Matters

We have audited the financial statements of certain equity-method investees of the Company for the years ended December 31 of 2022 and year 2021, which were not audited by us, but by other auditors. Accordingly, our opinion on the financial statements of the investees is based on the reports of other auditors. As of December 31 of 2022 and year 2021, the equity method investments in these investees amounted to \$426,836 thousand and \$419,115 thousand, representing 3.71% and 3.95% of the total assets, respectively.

For the year-end of December 31 of 2022 and year 2021, the shares of income or loss of subsidiaries, affiliates, and joint ventures recognized under the equity method were \$(1,247) thousand and \$17,388 thousand, respectively, representing (0.83%) and 11.22% of net income before income tax. The share of other comprehensive income or loss recognized under the equity method was \$(866)

thousand and \$2,397 thousand, representing 3.22% and 4.70% of other comprehensive income or loss, respectively.

Management's and Governance's Responsibility for Individual Financial Report

Management's responsibility is to prepare financial statements that are fairly stated in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and to maintain such internal control relevant to the preparation of financial statements as is necessary to ensure the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

When preparing individual financial statements, the responsibility of the management also includes assessing the ability of Southeast Cement Corporation to continue operating, the disclosure of related matters, and the adoption of the accounting basis for continuing operations, unless the management intends to liquidate Southeast Cement Corporation or cease operations, or there is no practical alternative to liquidation or suspension of business.

The governing unit (including the audit committee) of Southeast Cement Corporation is responsible for supervising the financial reporting process.

Accountant's Responsibility for Auditing Individual Financial Reports

The purpose of the accountant's review of individual financial reports is to obtain reasonable assurance as to whether there is any material misrepresentation in the individual financial reports as a whole that is caused by fraud or error and to issue a review report. Reasonable assurance is a high degree of confidence, but an audit performed in accordance with auditing standards does not provide a guarantee that material misstatements in individual financial statements can be detected. Misstatements may be the result of fraud or error. Misrepresentation of individual amounts or aggregate amounts is considered material if it can reasonably be expected to affect economic decisions made by individual users of financial statements.

We use professional judgment and apply professional skepticism in our audits in accordance with auditing standards. We also perform the following tasks:

1. To identify and assess the risks of material misstatement of individual financial statements that are attributable to fraud or error; to design and implement appropriate responses to those risks; and to obtain sufficient and appropriate evidence to form the basis of an audit opinion. The risk of not detecting material misstatement due to fraud is higher than that due to error because fraud may involve conspiracy, forgery, intentional omission, misrepresentation, or a breach of internal control.
2. To obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Southeast Cement Corporation.
3. To evaluate the appropriateness of the accounting policies adopted by the management, and the rationality of the accounting estimates and relevant disclosures made.
4. Based on the audit evidence obtained, draw conclusions on the appropriateness of the management's use of the going-concern accounting basis and whether there are major uncertainties in events or circumstances that may cast serious doubt on Southeast Cement Corporation's ability to continue operations. If the accountant believes that there are major uncertainties in such events or situations, he must remind the individual financial report users to pay attention to the relevant disclosures in the individual financial statements in the audit report or revise the audit opinion when the disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Southeast Cement Corporation to cease to be able to continue as a going-concern.

5. To assess the overall expression, structure and content of the individual financial report (including relevant notes), and whether the individual financial report is appropriate to express relevant transactions and events.
6. To obtain sufficient and appropriate audit evidence for the financial information of the individual constituents of Southeast Cement Corporation to express opinions on the individual financial reports. We are responsible for the guidance, supervision, and implementation of the audit case, and are responsible for presenting the audit opinion to Southeast Cement Corporation.

The matters communicated by the accountant with the governing unit include the planned scope and time of the audit, as well as major audit findings (including significant deficiencies in internal control identified during the audit process).

The accountant also provides the governing unit with the statement that the personnel of the accounting firm that is subject to independence regulations have complied with the declaration of independence in the code of professional ethics of accountants and communicates with the governing unit all relationships that may be considered to affect the independence of the accountant and other matters (including related safeguards).

We have determined the matters are critical to an audit of the financial statements of Southeast Cement Corporation for the year ended December 31, 2022, according to our communications with the governing units. We have identified those matters in our auditor's report, except where disclosure of specific issues is not permitted by law or, in rare circumstances, the accountant decides not to communicate these particular issues in the audit report, because it can reasonably be expected that the negative impact of this communication will outweigh the promotion of the public interest.

Crowe Horwath United Certified Public
Accountants

Accountant: Cai Shuman

Accountant: Li Qinglin

Approval number: Jinguanzheng Shenzi No.
10200032833

March 14, 2023

Southeast Cement Corporation

Individual Balance Sheets December 31, 2022 and 2021

Unit: NT\$ Thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6(1))	\$ 121,474	1	\$ 334,709	3
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	30,032	-	58,430	-
1150	Net notes receivable (Note 6 (3))	211,718	2	192,560	2
1170	Net accounts receivable (Note 6 (4))	43,576	-	76,675	1
1180	Accounts receivable - net amount of related parties (Note 7)	116,585	1	38,721	-
1200	Other receivables (Note 6(5))	32,608	-	2,117	-
1210	Other receivables - related parties (Note 7)	-	-	30,000	-
1220	Current income tax assets	352	-	284	-
130x	Inventories (Note 6(6))	532,811	5	504,386	5
1410	Prepayments (Note 6(7))	14,534	-	22,362	-
1476	Other financial assets - current (Note 6(8))	164,540	1	161,625	2
11xx	Total Current Assets	1,268,230	10	1,421,869	13
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(9))	1,018,400	9	1,038,766	10
1550	Investments using the equity method (Note 6(10))	1,997,982	17	1,459,020	14
1600	Real property, plant and equipment (Note 6(11))	1,237,416	11	1,121,926	11
1755	Right-of-use assets (Note 6(12))	464,861	4	147,589	1
1760	Net investment real estate (Note 6 (13))	5,439,125	48	5,336,055	50
1840	Deferred income tax assets (Note 6 (34))	72,134	1	77,812	1
1920	Margin deposits (Note 6(14))	14,834	-	9,209	-
1990	Other non-current assets - others (Note 6 (5))	-	-	1,415	-
15xx	Total non-current assets	10,244,752	90	9,191,792	87
1xxx	Total assets	\$ 11,512,982	100	\$ 10,613,661	100

(Continued on next page)

(From previous page)

Code	Liabilities and Equities	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current liabilities					
2100	Short-term borrowings (Note 6(15))	\$ 1,530,000	13	\$ 1,240,000	12
2110	Short-term notes payable (Note 6(16))	259,968	2	39,991	-
2130	Contract liabilities - current (Note 6(17))	18,870	-	30,532	-
2170	Accounts payable	212,855	2	160,671	2
2200	Other payables (Note 6(18))	61,796	1	58,260	1
2250	Provision for Liabilities - Current (Note VI (19))	1,441	-	1,572	-
2280	Lease liabilities - current (Note 6(12))	60,297	1	47,214	-
2300	Other current liabilities	1,383	-	896	-
21xx	Total current liabilities	2,146,610	19	1,579,136	15
Non-current liabilities					
2570	Deferred income tax liabilities (Note 6 (34))	278,000	2	281,164	3
2580	Lease liabilities - non-current (Note 6(12))	420,838	3	105,679	1
2645	Margin deposits (Note 6 (21))	35,828	-	23,957	-
25xx	Total non-current liabilities	734,666	5	410,800	4
2xxx	Total liabilities	2,881,276	24	1,989,936	19
Equity					
3100	Share capital (Note 6 (22))				
3110	Common stock capital	5,720,008	50	5,720,008	54
3200	Capital reserves (Note 6 (23))	188,583	2	188,373	1
3300	Retained earnings				
3310	Statutory surplus reserve	1,069,712	9	1,055,689	10
3320	Special surplus reserve (Note 6 (25))	810,918	7	810,918	8
3350	Undistributed surplus (Note 6(24))	330,721	3	309,626	3
3400	Other interests (Note 6(26))	523,949	5	551,296	5
3500	Treasury stocks (Note 6 (27))	(12,185)	-	(12,185)	-
3xxx	Total equity	8,631,706	76	8,623,725	81
	Total liabilities and equity	\$ 11,512,982	100	\$ 10,613,661	100

(Please refer to the notes to the individual financial statements)

Chairman: Chen Minduan

Manager: Chen Guanhua

Accounting Supervisor: Huang Xinhan

Southeast Cement Corporation
Individual Comprehensive Income Statements
From January 1 to December 31, 2022 and 2021

Unit: NT\$ Thousand

Code	Item	Year 2022		Year 2021	
		Amount	%	Amount	%
4000	Operating income (Note 6 (28))	\$ 1,701,471	100	\$ 1,580,865	100
5000	Operating costs (Note 6(6))	(1,535,269)	(90)	(1,475,177)	(93)
5900	Operating profit (gross loss)	166,202	10	105,688	7
	Operating expenses				
6100	Promotional expenses	(12,809)	(1)	(14,538)	(1)
6200	Management costs	(102,034)	(6)	(74,128)	(5)
6450	Expected credit-impairment benefits (expenses) (Note 6 (4))	339	-	3,007	-
6000	Total operating expenses	(114,504)	(7)	(85,659)	(6)
6900	Operating profit (loss)	51,698	3	20,029	1
	Non-operating income and expenses				
7100	Interest income (Note 6(30))	3,988	-	4,254	-
7010	Other income (Note 6(31))	176,735	10	96,118	6
7020	Other gains and losses (Note 6 (32))	(3,592)	-	(13,975)	(1)
7050	Financial costs (Note 6 (33))	(15,143)	-	(8,264)	-
7070	Profit and loss share of subsidiaries, affiliated enterprises and joint ventures recognized using the equity method	(63,391)	(4)	56,828	4
7000	Total non-operating income and expenses	98,597	6	134,961	9
7900	Net profit before tax (net loss)	150,295	9	154,990	10
7950	Income tax benefits (expenses) (Note 6 (34))	(1,252)	-	(15,005)	(1)
8200	Net profit (net loss) for the period	149,043	9	139,985	9
	Other comprehensive gains and losses (Note 6 (35))				
8310	Items not reclassified to profit or loss				
8316	Unrealized valuation gains and losses on equity instrument investments measured at fair value through other comprehensive income	(19,824)	(1)	50,042	3
8330	Shares of other comprehensive profits and losses of subsidiaries, affiliated enterprises and joint ventures recognized using the equity method	(7,048)	-	983	-
8300	Other comprehensive income (net)	(26,872)	(1)	51,025	3
8500	Total comprehensive gain or loss for the period	\$ 122,171	8	\$ 191,010	12
	Earnings per share				
9750	Basic earnings per share (Note 6(36))	\$ 0.26		\$ 0.25	
9850	Diluted earnings per share (Note 6(36))	\$ 0.26		\$ 0.25	

(Please refer to the notes to the individual financial statements)

Chairman: Chen Minduan

Manager: Chen Guanhua

Accounting Supervisor: Huang Xinhan

Individual Equity Change Statement
2022 and 2021, January 1 to December 31

Unit: NT\$ Thousand

	Retained earnings					Other equity items		
	Ordinary share	Capital reserve	Legal surplus	special surplus	Unallocated surplus	Unrealized valuation (gain) loss on financial assets at fair value through other comprehensive gain or loss	Treasury stocks	Total equity
	capita		reserve	reserve				
Jan. 1, 2021 Balance	\$ 5,720,008	\$ 188,267	\$ 1,052,057	\$ 810,918	\$ 230,224	\$ 500,520	\$ (12,185)	\$ 8,489,809
Surplus allocation and distribution:								
Provision Legal surplus reserve	-	-	3,632	-	(3,632)	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(57,200)	-	-	(57,200)
Net profit (net loss) 2021	-	-	-	-	139,985	-	-	139,985
Other comprehensive gain or loss 2021	-	-	-	-	(5)	51,030	-	51,025
Total comprehensive gain or loss 2021	-	-	-	-	139,980	51,030	-	191,010
Dividends issued to subsidiaries to adjust capital reserve	-	106	-	-	-	-	-	106
Disposal of equity instruments measured at fair value through other comprehensive gain or loss	-	-	-	-	254	(254)	-	-
Dec. 31, 2021 Balance	5,720,008	188,373	1,055,689	810,918	309,626	551,296	(12,185)	8,623,725
Surplus allocation and distribution:								
Provision Legal surplus reserve	-	-	14,023	-	(14,023)	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(114,400)	-	-	(114,400)
Net profit (net loss) 2022	-	-	-	-	149,043	-	-	149,043
Other comprehensive gain or loss 2022	-	-	-	-	-	(26,872)	-	(26,872)
Total comprehensive gain or loss 2022	-	-	-	-	149,043	(26,872)	-	122,171
Dividends issued to subsidiaries to adjust capital reserve	-	210	-	-	-	-	-	210
Disposal of equity instruments measured at fair value through other comprehensive gain or loss	-	-	-	-	475	(475)	-	-
Dec. 31, 2022 Balance	\$ 5,720,008	\$ 188,583	\$ 1,069,712	\$ 810,918	\$ 330,721	\$ 523,949	\$ (12,185)	\$ 8,631,706

(Please refer to the notes to the individual financial statements)

Chairman: Chen Minduan

Manager: Chen Guanhua

Accounting Supervisor: Huang Xinhan

Southeast Cement Corporation
Individual Cash Flow Statement
2022 and 2021, January 1 to December 31

Unit: NT\$ Thousand

Item	Year 2022	Year 2021
Cash flows from operating activities		
Net profit (loss) before tax for the period	\$ 150,295	\$ 154,990
Adjustments		
Income and expense items		
Depreciation expense	82,488	65,469
Expected credit impairment losses (gain)	(339)	(3,007)
Net loss (gain) on financial assets and liabilities at fair value through gain or loss	5,305	4,717
Interest expense	15,143	8,264
Interest income	(3,988)	(4,254)
Dividend income	(48,527)	(39,644)
Share of subsidiaries, affiliates and joint venture profit recognized under the equity method	63,391	(56,828)
Impairment loss on financial assets	702	-
Lease modification gain	-	(232)
Impairment loss on non-financial assets	6,974	-
Total gain or loss on revenue items	121,149	(25,515)
Changes in assets/liabilities related to operating activities		
Net change in assets related to operating activities		
Mandatory (increase) decrease in financial assets at fair value through profit or loss	23,093	(4,517)
Notes receivable (increase) decrease	(19,390)	95,143
Accounts receivable (increase) decrease	(44,194)	14,150
Other receivables (increase) decrease	(30,574)	1,765
Inventory (increase) decrease	(29,499)	(431)
Prepayment (increase) decrease	7,828	23,329
Other financial assets (increase) decrease	(2,915)	12,973
Total net change in assets related to operating activities	(95,651)	142,412
Net change in liabilities related to operating activities		
Increase (decrease) in contract liabilities	(11,662)	(43,050)
Increase (decrease) in accounts payable	52,184	(32,228)
Other payables (increase) decrease	2,745	(4,634)
Increase (decrease) in liability provision	(131)	19
Increase (decrease) in other current liabilities	487	896
Total net change in liabilities related to operating activities	43,623	(78,997)
Total net change in assets and liabilities related to operating activities	(52,028)	63,415
Total adjusted items	69,121	37,900
Cash outflow from operations	219,416	192,890
Interest charged	4,086	4,080

(Continued on next page)

(From previous page)

Item	Year 2022	Year 2021

Item	Year 2022	Year 2021
Dividends received	\$ 88,934	\$ 62,769
Interest paid	(14,375)	(8,025)
Income tax refunds (paid)	1,194	(131)
Net cash inflow (outflow) from operating activities	299,255	251,583
Cash flows from investing activities		
Acquisition of financial assets measured at fair value through other comprehensive gain or loss	-	(39,164)
Disposal of financial assets at fair value through other comprehensive gain or loss	542	4,635
Capital reduction on financial assets at fair value through other comprehensive gains and losses	-	1,478
Acquisition of investments accounted for using the equity method	(650,300)	(35,000)
Acquisition of property, plant and equipment	(125,522)	(910,140)
Increase in guarantee deposits on deposit	(5,625)	-
Decrease in guarantee deposits on deposit	-	861
Decrease in other receivables - related parties	30,000	63,000
Acquisition of investment property	(114,286)	(1,434)
Decrease in long-term lease receivables	1,400	1,384
Net cash inflow (outflow) from investing activities	(863,791)	(914,380)
Cash flows from financing activities		
Increase in short-term borrowings	290,000	1,005,000
Increase in short-term bills payable	220,000	40,000
Increase in guarantee deposits on deposit	11,871	-
Principal repayments on leases	(56,170)	(58,048)
Cash dividends paid	(114,400)	(57,200)
Net cash inflow (outflow) from financing activities	351,301	929,752
Decrease in cash and cash equivalents for the period	(213,235)	266,955
Cash and cash equivalents at begin of the period	334,709	67,754
Cash and cash equivalents at end of the period	\$ 121,474	\$ 334,709

(Please refer to the notes to the individual financial statements)

Chairman: Chen Minduan

Manager: Chen Guanhua

Accounting Supervisor: Huang Xinhan

Southeast Cement Corp., Ltd.

Individual Financial Statement Notes

From January 1 to December 31, 2022 and 2021

(All amounts in NT Dollars thousands unless otherwise stated)

I. Company History

Southeast Cement Corporation (hereinafter referred to as "the Company") was established in December 1956 and is principally engaged in the manufacture and sale of cement, furnace stone powder, processed cement products, and ready-mixed concrete.

These financial statements are presented in New Taiwan dollars, the functional currency of the Company.

II. Date and procedure for approval financial statements

This individual financial report was approved and issued by the Board of Directors on 14 March 2023.

III. Application of new-issued and revised standards and interpretations

- (I) Effect of adoption of the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as "IFRSs") recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the "Financial Supervisory Commission"):

The following table summarizes the new-issued, revised and revised standards and interpretations of the 2022-year applicable International Financial Reporting Standards recognized by the FSC:

New-issued/amended/revised standards and interpretations	Effective date of IASB releases (Note 1)
Amendments to IAS 16 "Property, Plant and Equipment: Prices before reaching the intended state of use"	January 1, 2022 (Note 2)
Amendments to IAS 37 "Onerous Contracts - Costs of Performing Contracts"	January 1, 2022 (Note 3)
Amendments to IFRS 3 "References to Conceptual Frameworks"	January 1, 2022 (Note 4)
Annual Improvements to IFRS 2018-2020	January 1, 2022 (Note 5)

(Note 1) Unless otherwise specified, the above-mentioned New-issued/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective dates.

(Note 2) The enterprise shall apply the amendments retrospectively, but only to items of property, plant and equipment that have reached the location and condition necessary to comply with management's intended mode of operation after the

earliest period start date (1 January 2021) as expressed in the financial statements of the enterprise to which the amendments are first applied.

(Note 3) This amendment applies to contracts that have not fulfilled all obligations on January 1, 2022.

(Note 4) This amendment applies to business combinations whose acquisition date begins after January 1, 2022, during the annual reporting period.

(Note 5) The amendment to IFRS 9 applies to exchanges or modifications of the terms of financial liabilities occurring in annual reporting periods beginning after January 1, 2022; the amendment to IAS 41 applies to fair value measurements in annual reporting periods beginning after January 1, 2022; and the amendment to IFRS 1 applies retrospectively to annual reporting periods beginning after January 1, 2022.

1. Amendments to IAS 16 "Property, Plant and Equipment: Prices before reaching the intended state of use".

The amendment provides that the sales price of items of property, plant, and equipment produced to bring them to the location and condition necessary for them to meet management's intended mode of operation shall not be a deduction from the cost of the asset. The abovementioned output should be measured in accordance with IAS 2 "Inventories", and the sales price and cost should be recognized in gain or loss in accordance with the applicable standard. In addition, the amendment clarifies that the cost of testing whether an asset is in working order is the cost of assessing whether the technical and physical properties of the asset are sufficient to enable it to be used for the production or supply of goods or services, for rental to others or for management purposes.

The amendment applies to property, plant, and equipment in the location and condition necessary to achieve management's intended mode of operation after January 1, 2021 (the beginning of the earliest period presented). The Company will recognize the cumulative effect of the initial application of the amendments as an adjustment to the opening balance of retained earnings (or other compositions of equity, if applicable) as of the beginning of the earliest period presented and will restate the information for the comparative period.

2. Amendments to IAS 37 "Onerous Contracts - Costs of Performance"

The amendment clarifies that when assessing whether a contract is onerous, the "Cost of fulfilling the contract" should include the incremental cost of fulfilling the contract (e.g., direct labor and materials) and the apportionment of other costs directly

related to the fulfillment of the contract (e.g., the allocation of depreciation expense for items of property, plant, and equipment used in the performance of the contract).

3. Amendments to IFRS 3 "References to Conceptual Framework"

The amendment updates the index to the Conceptual Framework and adds a new requirement that the acquirer should apply IFRIC 21 "Levies " to determine whether there is an obligation to incur a levies payment liability at the date of acquisition.

4. Annual Improvements to IFRS 2018-2020

The annual improvements to IFRS 2018-2020 include amendments to certain criteria, including an amendment to IFRS 9 to assess whether the exchange or modification of the terms of a financial liability is materially different by comparing the discounted cash flow value of the terms of the old and new contracts, if there is a difference of 10% (including the net amount of fees charged for signing a new contract or modifying a contract), the aforementioned fees collected and paid shall only include fees received and paid between the borrower and the lender.

The Company has assessed that the above criteria and interpretation do not have a significant influence on the Company's financial position and financial performance.

(II). The effect of the new-issued and revised International Financial Reporting Standards approved by the Financial Supervisory Commission:

The following table summarizes the new-issued, revised and revised standards and interpretations of the applicable IFRSs in 2023 approved by the Financial Supervisory Commission.

<u>New-issued/amended/revised standards and interpretations</u>	<u>Effective date of IASB releases</u>
Amendments to IAS 1 "Disclosure of Accounting Policies"	Jan. 1, 2023(Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	Jan. 1, 2023(Note 2)
Amendments to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	Jan. 1, 2023(Note 3)

(Note 1) This amendment is effective for annual reporting periods beginning after January 1, 2023.

(Note 2) The amendment applies to changes in accounting estimates and changes in accounting policies for annual reporting periods beginning after January 1, 2023.

(Note 3) This amendment applies to transactions occurring after the start date of the earliest comparative period expressed (January 1, 2022), except as otherwise provided for by temporary differences related to lease and decommissioning obligations.

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

This amendment clarifies that when a transaction, other event or situation is significant in scale or nature, and its related accounting policy information is also significant to the financial report, such relevant significant accounting policy information should be disclosed. Conversely, if the enterprise judges that the scale or nature of a transaction, other event or situation is not significant or the accounting policy information related to it is not significant. It is not necessary to disclose such insignificant accounting policy information, but the enterprise's conclusion that the accounting policy information is insignificant does not affect the relevant disclosures required by other IFRS standards.

2. Amendments to IAS 8 "Definition of Accounting Estimates"

The amendment defines an accounting estimate as a monetary amount in the financial statements that are affected by measurement uncertainty and provides further clarification that the effect of a change in an input or measurement technique on an accounting estimate is a change in an accounting estimate, except when it is due to a correction of a prior period error.

3. Amendments to IAS 12, "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction"

This amendment limits the recognition exemption for deferred income tax liabilities and assets under paragraphs 15 and 24 of IAS 12. The exemption does not apply if the taxable temporary differences arising from a single transaction at initial recognition are the same as the deductible temporary differences. Upon first application of this amendment, an enterprise should recognize deferred income tax on all temporary differences related to leases and ex-service obligations at the beginning of the earliest comparative period expressed (January 1, 2022) and recognize the cumulative effect as an adjustment to the initial balance of retained earnings (or other components of equity, as appropriate) at that date. This amendment shall be deferred for other transactions occurring after January 1, 2022. When the Company applies this amendment for the first time, it shall recompile the comparative period information.

The Company has assessed that the above criteria and interpretation do not have a significant influence on the Company's financial position and financial performance.

(III). The impact of the International Financial Reporting Standards issued by the International Accounting Standards Board but not yet approved by the FSC:

The following table presents the new-issued, amended, and revised standards issued by the IASB but not yet endorsed by the FSC and the impact of those standards:

<u>New-issued/amended/revised standards and interpretations</u>	<u>Effective date of IASB releases</u>
Amendments to IFRS 10 and IAS 28 "Asset Sale or Contribution between Investors and Associates or Joint Ventures"	Undecided
IFRS 17 "Insurance Contracts"	Jan. 1, 2023
Amendments to IFRS 17	Jan. 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	Jan. 1, 2023
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	Jan. 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	Jan. 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	Jan. 1, 2024

As of the date of this individual financial report, the Company is still evaluating the impact of the above standards and interpretations on the Company's financial position and financial performance, which will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

The significant accounting policies adopted in the preparation of these individual financial statements are described below. Unless otherwise stated, these policies have been applied consistently throughout the reporting period.

(I) Compliance Statement

This individual financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers.

(II) Compilation basis

1. Except for the following important items, this individual financial report is prepared at historical cost:
 - (1) Financial assets and liabilities (including derivative instruments) at fair value through gain or loss.
 - (2) Financial assets and liabilities at fair value through other comprehensive gain or loss.
 - (3) Liabilities for cash-settled share-based payment agreements measured at fair value.
2. The compilation of individual financial statements in conformity with IFRSs recognized by the FSC requires the use of certain critical accounting estimates. The application of the Company's accounting policies also requires management to exercise its judgment, which involves items of a highly judgmental or complex nature, or items that involve significant assumptions and estimates in the individual financial statements, as described in Note 5.
3. In compiling the individual financial statements, the Company uses the equity method of accounting for its investments in subsidiaries, affiliates, or joint ventures. In order to make the current year gain and loss, other comprehensive gain and loss and equity in this individual financial report the same as the current year gain and loss, other comprehensive gain and loss and equity attributable to the company's owners in the

company's consolidated financial report, certain accounting treatment differences between the individual basis and the consolidated basis are adjusted for "Investments using the equity method", "subsidiaries, affiliated enterprises and joint ventures using the equity method, share of gain and loss", "subsidiaries, affiliated enterprises and joint ventures using the equity method and other comprehensive gain and loss shares" and related equity items.

(III) Foreign Currency Translation

1. Foreign currency transaction and balance

- (1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction date or measurement date, and the translation differences arising from the translation of these transactions are recognized as current gain or loss.
- (2) The balance of foreign currency monetary assets and liabilities is evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized as current gain or loss.
- (3) Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing on the date when the fair value was determined, with the resulting exchange differences recorded in gain or loss for the year, except for those arising from changes in fair value that are recognized in other comprehensive income. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates ruling at the dates of transactions and are not re-translated.

(IV) Criteria for distinguishing current and non-current assets and liabilities

1. Manufacturing Department:

- (1) Assets that meet one of the following conditions are classified as current assets:
 - A. The asset is expected to be realized in the normal cycle of business or is intended to be sold or consumed.
 - B. Holders primarily for trading purposes.
 - C. Those expected to be realized within 12 months after the balance sheet date.
 - D. Cash or cash equivalents, except those that are used for exchange, liquidation of liabilities or other restrictions more than 12 months after the balance sheet date.The Company classifies all assets that do not meet the above criteria as non-current.
- (2) Liabilities that meet one of the following conditions are classified as current liabilities:
 - A. Those expected to be settled in the normal business cycle.
 - B. Holders primarily for trading purposes.
 - C. Those that must be repaid within 12 months after the balance sheet date. (Even if a long-term refinancing or rescheduling payment agreement has been completed after the balance sheet date and before the release of the financial report, it is also a current liability)

D. If the maturity date cannot be unconditionally extended to at least 12 months after the balance sheet date. The terms of the liability, which may be settled by issuing equity instruments at the option of the counterparty, do not affect the classification. The Company classifies all assets that do not meet the above criteria as non-current.

2. Construction Department:

The business cycle of contracted construction projects and building sales is usually longer than one year, so the assets and liabilities related to the construction business are classified as current or non-current based on the business cycle.

(V) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term, highly liquid investments (including time deposits with an original maturity within three months) that can be converted into fixed amounts of cash at any time and whose value risk changes little.

(VI) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments.

On initial recognition, financial assets, and financial liabilities are measured at fair value. On initial recognition, transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than those classified as financial assets and financial liabilities at fair value through gain or loss) are added to or deducted from the fair value of the financial assets or financial liabilities. Transaction costs directly attributable to financial assets and financial liabilities at fair value through gain or loss are recognized immediately in gain or loss.

1. Financial Assets

Regular transactions of financial assets are recognized using trade date accounting.

(1) Measurement Categories

The types of financial assets held by the Company are financial assets at fair value through gain or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets at fair value through gain or loss

Financial assets at fair value through gain or loss include financial assets that are mandatorily measured at fair value through gain or loss and financial assets designated as measured at fair value through gain or loss. Financial assets that are mandatorily measured at fair value through gain or loss include investments in equity instruments that are not designated by the Company as measured at fair value through other comprehensive gain or loss and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at fair value through other comprehensive gain or loss.

When a financial asset meets one of the following conditions, the company designates it as measured at fair value through gain or loss at the time of original recognition:

- a. is a hybrid (combined) contract; or
 - b. Eliminate or significantly reduce measurement or recognition inconsistencies; or
Investments that are managed and evaluated on a fair value basis in accordance with a written risk management or investment strategy. Financial assets carried at fair value through gain or loss are measured at fair value, with dividends recognized in other income and interest income and gains or losses arising from remeasurement recognized in other gains and losses. Please refer to Note 12 for the determination of fair value.
- B. Equity instrument investment measured at fair value through other comprehensive gain and loss.

At initial recognition, the Company has an irrevocable option to designate investments in equity instruments that are not held for trading and not acquired in a business combination with contingent consideration to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of an investment, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to gain or loss.

Dividends on investments in equity instruments at fair value through other comprehensive income are recognized in gain or loss when the Company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

C. Financial assets measured at amortized cost

If the company invests in financial assets that meet the following two conditions at the same time, it will be classified as financial assets measured at amortized cost:

- (A) is held under an operating model whose purpose is to hold financial assets to collect contractual cash flows; and
- (B) The terms of the contract give rise to cash flows on specified dates that are exclusively payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortized cost are measured at amortized cost using the effective interest method to determine the total carrying amount less any

impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in gain or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial asset, except for the following two cases:

- (a) For purchased or originated credit-impaired financial assets, interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- (b) For financial assets that are not purchased or originated but subsequently become credit-impaired, interest income is calculated by multiplying the effective interest rate by the amortized cost of the financial asset.

(2) Impairment of financial assets

- A. The Company assesses impairment losses at each balance sheet date on financial assets (including accounts receivable), investments in debt instruments measured at fair value through other comprehensive income, lease receivables, and contract assets measured at amortized cost based on expected credit losses.
- B. Accounts receivable and lease receivables are recognized as an allowance for loss based on the expected credit loss over the period of their existence. If there is no significant increase in credit risk, an allowance for loss is recognized on the basis of 12-month expected credit losses. If there is a significant increase in credit risk, an allowance for loss is recognized on the basis of expected credit losses over the period of time.
- C. Expected credit loss is the weighted average credit loss with the risk of default as the weight. The 12-month expected credit loss represents the expected credit loss arising from possible default events of the financial instrument within 12 months after the reporting date, and the expected credit loss during the duration represents the expected credit loss arising from all possible default events of the financial instrument during the expected duration.
- D. The impairment loss of all financial assets is reduced by the allowance account, but the allowance loss of the debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its book value amount.

(3) Derecognition of financial assets

The Company derecognizes financial assets when one of the following conditions applies:

- A. The contractual rights to receive cash flows from the financial assets lapse.
- B. The contractual rights to receive cash flows from the financial assets are transferred and substantially all the risks and rewards of ownership of the financial assets have been transferred.

- C. Neither the transfer nor the retention of substantially all the risks and rewards of ownership of a financial asset, except that control over the financial asset is not retained.

The difference between the carrying amount of the financial asset and the consideration received is recognized in gain or loss when the financial asset is derecognized from amortized cost as a whole. The difference between the carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive income is recognized in gain or loss when the investment in debt instruments is derecognized through other comprehensive income at fair value. When investments in equity instruments that are measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to gain or loss.

2. Equity instrument

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments. An equity instrument is any contract that recognizes an entity's remaining interest in assets less all of its liabilities. Equity instruments issued by the Company are recognized at the acquisition price less direct issuance costs.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities that are not held for trading and not designated at fair value through gain or loss are measured at amortized cost at the end of subsequent accounting periods.

(2) Derecognition of financial assets

The Company derecognizes financial liabilities only when the obligation is discharged, cancelled, or expired. On derecognition of a financial liability, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in gain or loss.

4. Modification of financial instruments

When the contractual cash flows of a financial instrument are renegotiated or modified in a manner that does not result in the financial instrument being derecognized, the Company recalculates the aggregate carrying amount of the financial asset or the amortized cost of the financial liability using the modified contractual cash flows discounted at the original effective interest rate, and recognizes the benefit or loss from the modification in gain or loss; The cost or expense incurred is recognized as an adjustment to the carrying amount of the modified financial instrument and amortized over the remaining period after the modification. If the renegotiation or modification

results in the reclassification of the financial instrument, the reclassification is accounted for as a derecognition.

(VII) Inventory

1.Manufacturing department:

Inventories are measured on the basis of the lower of cost and net realizable value, and the perpetual inventory system is adopted, and the cost is determined by the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs and manufacturing expenses related to production (shared according to normal production capacity) but does not include borrowing costs. When comparing the lower of the cost and the net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal course of business minus the estimated cost to be invested until completion and the balance after the estimated costs necessary to complete the sale.

2.Construction department:

Inventories are measured at the lower of cost or net realizable value. Cost includes the acquisition costs necessary to bring the inventory to the location and condition in which it is available for use and the capitalized costs of borrowings.

Net realizable value refers to the estimated selling price under normal business conditions minus the estimated cost to be invested to complete the project and the estimated cost to complete the sale. The method of determining the net realizable value is as follows:

- (1) Construction land: The net realizable value is calculated by referring to the management authority's prevailing market price and deducting the costs and sales expenses that need to be invested until completion or based on the most recent market value (development analysis method or comparative method).
- (2) Construction in progress: The net realizable value is calculated based on the estimated selling price (the current market conditions) minus the costs to be invested until completion and sales expenses.
- (3) Properties for sale: The net realizable value is the estimated selling price (estimated by reference to the prevailing market conditions by the management) minus the estimated costs and selling expenses incurred in selling the properties.

(VIII) Investments using equity method — Subsidiary and Associates

1. Subsidiary refers to an entity (including a structured entity) controlled by the company, when the company is exposed to or has rights to variable compensation from participation in the individual, and the Company controls the individual when it has the ability to affect such remuneration through its power over the individual.

2. Unrealized gains and losses arising from transactions between the Company and the Subsidiary are eliminated. Subsidiary's accounting policies have been adjusted as necessary to be consistent with the policies adopted by the Company.
3. The company recognizes the gain or loss share of Subsidiary acquired as current gain or loss, and the share of Other comprehensive income acquired by the Subsidiary as Other comprehensive income. If the loss share recognized by the Company for the Subsidiary is equal to or exceeds the equity in the Subsidiary, the Company will continue to recognize the loss based on the Shareholding ratio.
4. Associates refer to all individuals that the company has significant influence but has no control over, and usually directly or indirectly hold more than 20% of its voting shares. The Company's investment in Associates adopts the Equity method and is recognized at cost when acquired.
5. The Company recognizes the share of profit or loss of Associates as profit or loss for the current period. Other comprehensive income is recognized for the Company's share of the acquired comprehensive income. If the company's share of losses on any Associates is equal to or exceeds its interest in the Associates (including the carrying amount of the investment in Associates determined by the Equity method and any long-term interests that substantially constitute part of the Company's net investment in Associates). The Company does not recognize further losses unless the Company has a legal or constructive obligation to the Associates or has made payments on its behalf.
6. The unrealized gains and losses arising from transactions between the Company and Associates have been eliminated in proportion to its equity interest in Associates; Unrealized losses are also eliminated unless there is evidence that the assets transferred in the transaction are impaired. Associates' accounting policies have been adjusted, as necessary, to conform to the policies adopted by the Company.
7. When the Company disposes of Associates, if it loses the significant influence of the Associates, the accounting treatment for all amounts related to the Associates previously recognized other comprehensive income is the same as the basis for the Associates to directly dispose of related assets or liabilities, that is, if the benefit or loss previously recognized as Other comprehensive income will be rearranged as profit or loss when disposing of related assets or liabilities, then when the significant influence on Associates is lost, the benefit or loss will be rearranged as profit or loss from equity. If there is still a significant impact on the Associates, only the amount previously recognized in Other comprehensive income will be transferred out in proportion to the above method.
8. According to the "Standards for the preparation of financial reports of securities issuers", the current profit and loss and Other comprehensive income in the

individual financial report should be the same as the share of the current profit and loss and Other comprehensive income attributable to the owner of the parent company in the financial report prepared on the basis of consolidation. The equity of owners in the individual financial statements should be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

(IX) Property, plant, and equipment

1. Property, plant, and equipment are recorded at acquisition cost, and interest is capitalized during the period of acquisition. Property, plant, and equipment under construction are measured at the lower of cost or net realizable value, and the sales price and cost are recognized as gain or loss when testing the assets for proper functioning before they reach their intended use.
2. Subsequent costs are included in the carrying amount of assets or recognized as a separate asset only when the future economic benefits related to the project are likely to flow into the company and the cost of the project can be measured reliably. The Carrying amount of the reset part should be excluded. All other maintenance expenses are recognized as current profit or loss when incurred.
3. Land is not depreciated as in the proposal-list. Other property, plant, and equipment are depreciated on a straight-line basis based on the estimated service life using the cost model. The company inspects the residual value, service life and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and service life is different from the previous estimate, or if there has been a major change in the expected consumption pattern of the future economic benefits contained in the asset, it shall be dealt with in accordance with the accounting estimate change provisions of International Accounting Standard No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The service life of each asset is as follows:

Building

Plant main building	20~50 year
Electro-mechanical power equipment	5~10 year
Other equipment	15 year
Mechanical equipment	2~16 year
Transport equipment	3~ 6 year
Misc. equipment	3~10 year

4. Property, plant, and equipment are derecognized when they are disposed of or not expected to generate future economic benefits from use or disposal. The amount of gain or loss arising from the derecognition of property, plant, and equipment is the

difference between the net disposal price and the Carrying amount of the asset and is recognized as current gain and loss.

(X) Lease

The Company assesses whether a contract is (or contains) a lease on the date the contract is established. For a contract that contains a lease component and one or more additional lease or non-lease components. The company allocates the consideration in the contract to the lease component based on the relative stand-alone price of each lease component and the aggregate stand-alone price of the non-lease components.

1. The company is the lessee

Except for leases of low-value underlying assets and short-term leases, which are recognized on a straight-line basis, the Company recognizes Right-to-use assets and Lease liabilities for other leases on the lease commencement date.

Right-to-use assets

Right-to-use assets are originally measured at cost (including the original measurement amount of the lease liability, the lease payment less the lease incentive received before the lease commencement date, the original direct cost, and the estimated cost of restoring the underlying asset), subsequent measurement is based on the amount after deducting Cumulative depreciation and Cumulative impairment loss from cost, and the remeasurement amount of Lease liability is adjusted.

Right-to-use assets are depreciated on a straight-line basis from the start date of the lease to the expiration of the service life or the expiration of the Lease period, whichever is earlier, but if the Lease period expires, the ownership of the underlying asset will be acquired.

Or if the cost of Right-to-use assets reflects the exercise of the purchase option, depreciation will be provided from the start date of the lease to the expiry of the service life of the underlying asset.

Lease liability

Lease liability is originally measured by the present value of the lease payment (including fixed payment, substantial fixed payment, variable lease payment depending on the index or rate, etc.). If the implied interest rate of the lease is easy to determine, the lease payment shall be discounted using the interest rate. If this rate is not readily determined, the lessee incremental borrowing rate is used.

Subsequently, the Lease liability is measured on the basis of the Amortized cost using the effective interest method, and the Interest expense is amortized over the Lease period. If the Lease period, the evaluation of the purchase option of the underlying asset, the amount expected to be paid under the residual value guarantee, or the index or rate used to determine the lease payment led to changes in future lease

payments. The company re-measures the Lease liability and adjusts the Right-to-use assets accordingly. However, if the Carrying amount of the Right-to-use assets has been reduced to zero, the remaining re-measured amount will be included in the Recognized gain or loss. Lease liability is presented as a single line item on the individual balance sheet.

2. The company as lessor

When the company subleases Right-to-use assets, it judges the classification of the sublease based on the Right-to-use assets (not the underlying assets). However, if the main lease is a short-term lease for which the Company applies the recognition exemption, the sublease is classified as an operating lease.

If the lease transfers almost all the risks and rewards attached to the ownership of the underlying asset, it is classified as a finance lease; Conversely, it is classified as an operating lease.

Under financial leases, lease payments include fixed payments, substantially fixed payments, variable lease payments that depend on an index or rate, guaranteed residual value, and the exercise price of a purchase option that is reasonably certain to be exercised, and the lease termination penalty reflected in the Lease period, minus the lease incentives payable. Net amount of lease investments is expressed as the sum of the present value of Lease payments receivable and Unguaranteed residuals and is expressed as finance lease receivables. The Company adopts a systematic and reasonable basis to allocate financing income to the Lease period, so as to reflect the fixed rate of return that the Company's outstanding Net amount of lease investment can obtain in each period.

Under operating leases, lease payments after deducting lease incentives are recognized as lease income on a straight-line basis. The original direct cost incurred due to the acquisition of the operating lease is added to the carrying amount of the underlying asset and is recognized as an expense in the Lease period on the same basis as the recognized lease income.

(XI) Investment property

Investment property is real property held to earn rentals or for capital appreciation or both (including real property under construction for such purposes). Investment property also includes Right-to-use assets that meet the definition of Investment property.

Investment property is initially measured by cost (including transaction costs), and subsequently measured by the amount of cost minus Cumulative depreciation and Cumulative impairment loss. The Company provides depreciation on a straight-line basis.

Investment property under construction is recognized at the cost minus Cumulative impairment loss. The cost includes professional service fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets reach their intended use.

The amount of gain or loss arising from investment property is the difference between the net disposal price and the carrying amount of the asset and is recognized as current gain and loss.

(XII) Nonfinancial assets impairment

On the balance sheet date, the company estimates the recoverable amount of assets with signs of impairment. When the recoverable amount is lower than its book value, it is recognized impairment loss. The recoverable amount is an asset's Fair value less costs of disposal or its value in use, whichever is higher. If the asset impairment recognized in the previous year does not exist, it shall be reversed within the scope of the provision for loss in the previous year.

(XIII) Liability reserve

Liability reserve is recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The measurement of Liability reserve is based on the best estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate adopts the pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of liabilities. The discounted amortization is recognized as interest expense. Future operating losses shall not be recognized as Liability reserve.

(XIV) Employee benefits

1.Short-term employee benefits

Short-term employee benefits are measured at the non-discounted amount expected to be paid and are recognized as expenses when the related services are rendered.

2.Pensions

Defined contribution plan

For defined contribution plans, the amount to be contributed to the pension fund is recognized as pension cost on an accrual basis in the current period. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or reduce future benefits.

3.Remuneration for employees and directors and supervisors

Remuneration of employees, directors and supervisors is recognized as expenses and liabilities when there are statutory or constructive obligations, and the amount can be estimated reasonably. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate.

4. Termination benefits

Termination benefits are benefits provided to employees whose employment is terminated prior to their normal retirement date or when the employee decides to accept the Company's benefits offer in exchange for the termination of employment. The Company recognizes the expense at the earlier of when the offer of Termination benefits can no longer be revoked or when the related restructuring costs are recognized. Benefits that are not expected to be fully settled within 12 months after the end of the reporting period should be discounted.

(XV) Share capital and treasury stock

1. Share capital

Common stock is classified as equity. The classification of special shares is the definition of the substance and financial debts and equity instruments of contractual agreements, and the specific rights attached to special shares are evaluated. When the basic characteristics of financial liabilities are displayed, they are classified as liabilities, otherwise they are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are included in equity as a reduction of the price.

2. Treasury stock

When the Company recovers the issued Stocks, the consideration paid for the purchase (including directly attributable costs) is recognized as "Treasury stock" as a deduction from equity. The difference between the disposal price and the book value of the treasury stocks is recorded as a Capital Surplus-Treasury stocks transaction; If the disposal price is lower than the book value, the difference will be offset against the Capital Surplus generated by the transaction of the same type of treasury stocks. If there is any shortage, it will be debited to the retained earnings. The book value of treasury stocks is weighted average and calculated according to the reasons for withdrawal.

When treasury stocks are canceled, the capital surplus is debited according to the Shareholding ratio — Stocks issue premium and share capital. If the book value is higher than the total amount of the face value and Stocks issue premium, the difference will be offset against the Capital surplus generated by the transaction of the same type of treasury stocks. If there is any deficiency, it will be offset against Retained earnings; If its book value is lower than the total of the face value and the

Stock issue premium, it will be credited to the Capital surplus generated from the transaction of the same type of treasury stocks.

(XVI) Income tax

1. Income tax expense includes current and deferred income taxes. Income tax is Recognized gain or loss, except for income taxes related to items listed in Other comprehensive income or directly listed in equity, which are listed in Other comprehensive income or directly listed in equity.
2. Current income tax is calculated on the basis of taxable income generated by the Company using tax rates that have been legislated or substantively legislated at the balance sheet date. Management periodically evaluates the status of income tax returns with respect to applicable income tax regulations and, where applicable, estimates the income tax liability based on the expected tax payments to be made to the tax authorities. Income tax is levied on the undistributed earnings calculated in accordance with the provisions of the Income Tax Law of the R.O.C. In the year following the year in which the surplus is generated, after the shareholders' meeting approves the surplus distribution proposal, the income tax expense shall be recognized based on the distribution of the actual surplus.
3. Deferred income tax is recognized using the balance sheet method on temporary differences arising from the tax basis of assets and liabilities and their carrying amounts on the balance sheet. Deferred tax liabilities arising from the goodwill originally recognized are not recognized. If the deferred income tax is derived from the original recognition of assets or liabilities in transactions (excluding Business merger), and if the transaction does not affect the accounting profit or tax income (tax loss) at the time of the transaction, it will not be recognized. The deferred income tax is based on the tax rate (and tax law) that has been enacted or substantively enacted on the balance sheet date and is expected to be applicable when the relevant Deferred tax assets are realized, or the Deferred tax liabilities are settled.
4. Deferred tax assets are recognized to the extent that temporary differences, unused tax losses and unused income tax credits are likely to have future taxable income available for use, and at the end of each reporting period, re-evaluate the unrecognized and recognized Deferred tax assets.
5. The current income tax assets and current income tax liabilities can only be offset when there is a legally enforceable right to offset the recognized current income tax assets and liabilities and there is an intention to pay off on a net amount basis or realize assets and clear liabilities at the same time; When there is a legally enforceable right to offset current income tax assets and current income tax liabilities, and Deferred tax assets and liabilities are taxed by the same tax authority, the same taxpayer, or when

different taxpayers arise but each subject intends to pay off on the basis of Net amount or realize assets and pay off liabilities at the same time, the Deferred tax assets and liabilities will be offset.

6. Due to the purchase of equipment or technology, research and development expenditures, personnel training expenditures, and Income tax deduction accounting is adopted for the tax incentives arising from investment and Shareholding.

(XVII) Revenue recognition

The Group comes from the principle of recognition of Customer contract income, and recognizes revenue in the following steps:

1. Identify customer contracts;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocating the transaction price to performance obligations in the contract; and
5. Revenue is recognized when the performance obligation is satisfied.

For contracts where the time interval between the transfer of goods or services and the receipt of consideration is within one year, the transaction price shall not be adjusted for its significant financial components.

(1). Products sales revenue

Products sales revenue comes from sales of products such as cement, limestone and cement processed products. Sales revenue is recognized when the control of the product is transferred to the customer. Since the customer has the right to set the price and use of the product and bears the main responsibility for reselling the product, and bears the risk of obsolescence of the product, the company recognizes it at this point. List income and Accounts receivable; and express in Net amount after deduction of sales return, rewards, and discounts.

When processing without materials, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when the materials are removed.

(2). Revenue from sales of lands and houses

Revenue from the sale of real estate in the ordinary course of business is recognized when each such real estate is completed and delivered to the buyer.

(XVIII) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are included as part of the cost of the asset until substantially all the activities necessary to bring the asset to its intended use or sale condition have been completed.

Investment income earned on the temporary investment of specific borrowings prior to the occurrence of eligible capital expenditures is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized as gain or loss in the period in which they are incurred.

V 、 Major sources of Significant accounting judgments, estimates and assumptions

The significant judgments, critical accounting estimates, and assumptions used in the preparation of the Company's financial statements are as follows:

(I) Significant judgments adopted in accounting policies

1. Financial assets classification business model judgment

The Company evaluates the business model to which financial assets belong based on the level that reflects the joint management of financial asset groups to achieve specific business objectives. This assessment considers all relevant evidence, including how the asset's performance is measured, the risks affecting performance, and how the compensation of relevant managers is determined, and requires the use of judgment. The company continues to evaluate whether its business model is appropriate, and for this purpose, it monitors the financial assets and Investments in debt instruments measured at fair value through Other comprehensive income that are measured by post-amortized cost before the due date, to understand the reasons for its disposition to assess whether the disposition is consistent with the goals of the business model. If it is found that the business model has changed, the company will reclassify financial assets in accordance with the provisions of IFRS 9 and postpone the application from the date of reclassification.

2.Revenue recognition

According to IFRS 15, the company judges whether it has obtained or not obtained control of specific products or services before transferring them to the customer and will be the principal or agent in the transaction. If it is judged as the agent of the transaction Person-hours, the transaction Net amount is recognized as income.

In any of the following circumstances, the company shall be the principal:

- (1) The Company obtains control of the goods or other assets from another party before the goods or other assets are transferred to the customer; or
- (2) The company controls the right to provide labor services by another party, so as to have the ability to direct the party to provide labor services to customers on behalf of the company; or
- (3) The Company obtains control of goods or services from another party and uses them in combination with other goods or services to provide specific goods or services to customers.

The indicators used to help judge whether the company controls the specific goods or services before transferring them to customers include (but are not limited to):

- (1.) The company is primarily responsible for fulfilling the commitment to provide specific goods or services.
- (2.) The company assumes inventory risk before and after specific goods or services are transferred to customers.
- (3.) The company has the discretion to determine the price.

3. Lease period

When determining the Lease period, the Company considers all relevant facts and circumstances that create economic incentives to exercise (or not exercise) the option, including the expected changes in all facts and circumstances from the start date to the date when the option is exercised. Factors considered include the terms and conditions of the contract for the period covered by the option, significant leasehold improvements made (or expected to be made) during the contract period, and the importance of the underlying asset to the Company's operations, among others. When major events or major changes occur within the scope of the company's control, the Lease period will be re-evaluated.

(II) Critical accounting estimates and assumptions

1. Estimated impairment of Financial Asset

Accounts receivable, debt instrument investment and estimated impairment of financial guarantee contracts are based on the company's assumptions on the default rate and expected loss rate. The company considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for impairment evaluation. If the actual cash flow in the future is less than expected, significant Impairment loss may occur.

2. Fair value measurement and evaluation process

When the assets and liabilities measured by Fair value are not quoted in the active market, the company decides whether to outsource the valuation and determine the appropriate Fair value evaluation technique according to relevant laws and regulations or based on judgment. If the 1st Level input value cannot be obtained when estimating the Fair value, the company refers to the analysis of the financial status and operating results of the investee, the latest transaction price, the quotation of the same equity instrument in the non-active market, and the quotation of similar instruments in the active market. The input value is determined by information such as the evaluation multiplier of comparable companies. If the actual change of the input value in the future is different from the expectation, there may be a change in the Fair value. The company regularly updates each input value according to the market situation to monitor whether the Fair value measurement is appropriate.

3. Tangible and intangible asset impairment evaluation

In the process of asset impairment evaluation, the company needs to rely on subjective judgments and determine the independent cash flow, and the service life of the asset and the possible future income and expense, any estimated changes due to changes in economic conditions or company strategies may cause significant impairment in the future.

4. Investments using equity method impairment evaluation

When there are indications of impairment that an investment using the Equity method may have been impaired so that the carrying amount cannot be recovered, the company immediately assesses the impairment of the investment. The company evaluates the recoverable amount based on the discounted value of the expected future cash flow of the Invested company or the discounted value of the future cash flow generated by the expected cash dividend and disposal of the investment and analyzes the rationality of the relevant assumptions.

5. Realizable deferred tax assets

Deferred tax assets are recognized only when it is probable that there will be sufficient taxable income in the future to use for deductible temporary differences. When assessing the realizability of Deferred tax assets, significant accounting judgments and estimates of the management must be involved, including assumptions about expected future sales revenue growth and profit margins, tax-free period, available income tax credits, and tax planning. Any changes in the global economic environment, industry environment, and laws and regulations may result in significant adjustments to deferred tax assets.

6. Inventory evaluation

Since Inventory is stated at the lower of cost or net realizable value, the Company must use judgment and estimates to determine the net realizable value of Inventory at the balance sheet date. The Company assesses the amount of Inventory that is normally worn out, obsolete, or has no marketable value at the balance sheet date and writes down the cost of Inventory to its net realizable value.

7. Lessee's incremental borrowing rate of interest

When determining the Lessee's incremental borrowing rate of interest used for discounting lease payments, the risk-free interest rate of the same currency and the relevant period is used as the reference rate, and the estimated lessee's credit risk discount and lease-specific adjustments (such as asset-specific and attached guarantees) are taken into account.

VI、Description of significant accounting items

(I) Cash and cash equivalents

Item	Dec. 31, 2022	Dec. 31, 2021
Cash	\$ 292	\$ 264
Cheque deposit	4,869	2,990
Demand deposit	116,313	61,521
Cash equivalent	-	269,934
Total	<u>\$ 121,474</u>	<u>\$ 334,709</u>

1. The credit quality of the financial institutions that the company deals with is good, and the company deals with several financial institutions to diversify the credit risk, and the possibility of default is expected to be very low.
2. The company has not pledged Cash and cash equivalents.

(II) Financial assets at fair value through gain or loss — Current

Item	Dec. 31, 2022	Dec. 31, 2021
Mandatory measurement through gain or loss at fair value		
Open-end Funds	\$ 13,394	\$ 24,360
Bonds	16,638	34,070
Total	<u>\$ 30,032</u>	<u>\$ 58,430</u>

1. The net (loss) loss recognized by the company in Year 2022 and 2021 is (5,305) thousand yuan and (4,717) thousand yuan respectively.
2. The company has not pledged financial assets at fair value through gain or loss.
3. Please refer to Note 12 for the relevant credit risk management and assessment methods.

(III) Notes receivable net amount

Item	Dec. 31, 2022	Dec. 31, 2021
Measured by post-amortized cost		
Total carrying amount	\$ 214,289	\$ 194,899
Minus: Allowance losses	(2,571)	(2,339)
Notes receivable net amount	<u>\$ 211,718</u>	<u>\$ 192,560</u>

1. Please refer to Note 6(d) for the disclosure of allowance for losses on notes receivable.
2. For related party transactions, please refer to Note 7(3)(5).

(IV) Accounts receivable net amount

Item	Dec. 31, 2022	Dec. 31, 2021
Measured by post-amortized cost		
Total carrying amount	\$ 44,168	\$ 92,658
Minus: Allowance losses	(592)	(15,983)
Accounts receivable net amount	<u>\$ 43,576</u>	<u>\$ 76,675</u>

1. The company's Not overdue and unimpaired Accounts receivable all meet the credit standards set according to the counterparty's industrial characteristics, business scale and profit status, and the average Credit period for sales in the production department is 2-3 months; The Construction department and leasing department shall handle the payment according to the contractual payment period.
2. The company adopts the simplified method of IFRS 9 to recognize Allowance for losses of Accounts receivable according to Expected credit losses during the period of existence. Expected credit losses during the period of existence is calculated using a provision matrix, which takes into account the customer's past default history, current financial situation, and industry economic trends. As the company's credit loss historical experience shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further distinguish customer groups, and the expected credit loss rate is determined by the number of Accounts receivable overdue days.
3. The company measures the Allowance for losses of Notes receivable and Accounts receivable according to the preparation matrix (Including related parties and other receivables) as below:

Dec. 31, 2022	Expected credit loss rate	Total carrying amount	Allowance for loss (expected credit losses during period of existence)	Amortized cost
Not overdue	0%-2%	\$ 408,003	\$ (3,516)	\$ 404,487
Overdue 0~90 day	0%-5%	-	-	-
Overdue 91~180 day	0%-25%	-	-	-
Overdue 181~365 day	0%-50%	-	-	-
Overdue 365 days	0%-100%	63	(63)	-
Total		<u>\$ 408,066</u>	<u>\$ (3,579)</u>	<u>\$ 404,487</u>

Dec. 31, 2021	Expected credit loss rate	Total carrying amount	Allowance for loss (expected credit losses during period of existence)	Amortized cost
Not overdue	0%-2%	\$ 313,761	\$ (3,688)	\$ 310,073
Overdue 0~90 day	0%-5%	-	-	-
Overdue 91~180 day	0%-25%	-	-	-
Overdue 181~365 day	0%-50%	-	-	-
Overdue 365 days	0%-100%	15,052	(15,052)	-
Total		<u>\$ 328,813</u>	<u>\$ (18,740)</u>	<u>\$ 310,073</u>

4. Changes in notes receivable and Accounts receivable allowance loss (including related parties and other Receivables) are as follows:

Item	Year 2022	Year 2021
Opening balance	\$ 18,740	\$ 21,747
Add: Impairment loss listed	-	-
Minus: Impairment loss reversal	(339)	(3,007)
Minus: Charge-off as uncollectible	(14,822)	-
Ending balance	<u>\$ 3,579</u>	<u>\$ 18,740</u>

Other credit enhancements held by the above accounts receivable: None

If there is evidence that the counterparty is facing serious financial difficulties and the company cannot reasonably expect the recoverable amount, the company will directly write off the relevant Accounts receivable, but will continue to pursue activities, because the recovered amount will be Recognized gain or loss. The Notes receivable and Accounts receivable of the company's charge-off contract amount in Year 2022 and 2021 are 14,822 thousand yuan and 0 thousand yuan respectively.

5. Please refer to Note 12 (2) for the relevant credit risk management and assessment methods.

6. The company has not pledged Accounts receivable.

(V) Other receivables

Item	Dec. 31, 2022	Dec. 31, 2021
Rental receivable	\$ 1,415	\$ 1,400
Interest receivable	487	585
Receivable advance payment for design fee	30,412	-
Receivable other	294	132
Subtotal	\$ 32,608	\$ 2,117
Minus: Allowance losses	-	-
Net amount	\$ 32,608	\$ 2,117

1. The company and Bijiang Enterprise Co., Ltd. jointly hold the land and buildings in the Bay area. The two parties agree to apply for a construction license, but they need to issue a Land Holder use right agreement, and "Continue to use the 2022 project unit price calculation project cost implementation method" to handle the rush-to-hang item operation, pay an advance payment of 30,412 thousand yuan to handle the hang-up, and follow-up rush-to-hang design fee to obtain the refund document. They also proposed that the money can be recovered after the return and refund operation is completed, and the money has been recovered in January 2023.

2. Rental Receivable as follows:

	Dec. 31, 2022	Dec. 31, 2021
Undiscounted lease payments		
1st year	\$ 1,428	\$ 1,428
2nd year	-	1,428
3rd year	-	-
Total	\$ 1,428	\$ 2,856
Minus: Unearned financing gain	(13)	(41)
Minus: Allowance losses	-	-
Lease payments receivable	\$ 1,415	\$ 2,815
Unguaranteed residuals	\$ -	\$ -
Minus: Unearned financing gain	-	-
Present value of unguaranteed residuals	\$ -	\$ -
Lease investment presented as finance lease receivable net amount	\$ 1,415	\$ 2,815
Rental receivable (Billing as other receivables)	\$ 1,415	\$ 1,400
Long-term rental receivable (Billing as other non-current assets)	\$ -	\$ 1,415

The Company signed a financial lease agreement in December 2018 to sublease the 8th floor of the Southeast Building to the Vocational Training Bureau of the Ministry of Labor. The average lease term is 5 years, and the fixed lease payment is 714,000 yuan every six months. The Company classified the lease as a finance lease because

the period of the sublease is all the remaining period of the corresponding master lease.

(VI) Inventory and Cost of sales

Item	Dec. 31, 2022	Dec. 31, 2021
Manufacturing Department:		
Raw fuels	\$ 15,836	\$ 22,841
Material	55,099	63,166
Work in products	4,057	29,393
Finished products	98,694	29,861
Net amount—Manufacturing dept.	\$ 173,686	\$ 145,261
Construction Department:		
Construction land	\$ 359,125	\$ 359,125
Net amount—Construction dept.	\$ 359,125	\$ 359,125
Total	\$ 532,811	\$ 504,386

1. Inventory-related losses (gains) recognized as Cost of sales in the current period were as follows:

Item	Year 2022	Year 2021
Selling inventory costs	\$ 1,455,446	\$ 1,451,739
Other operating cost	54,045	38,022
Unallocated manufacturing expense	25,963	9,820
Inventory stock profit	(117)	(6,785)
Inventory scrap loss	6,236	-
Provision for inventory price declines and deadstock losses (recovery benefit)	(6,304)	(17,619)
Total operating cost	\$ 1,535,269	\$ 1,475,177

2. In Year 2022 and 2021, the net realizable value of inventory increased due to the digestion of part of the inventory. Therefore, the Provision for inventory price declines and deadstock losses (recovery benefit) are (6,304) thousand yuan and (17,619) thousand yuan respectively.

3. The Company has not pledged any of its inventories.

4. The current inventory additions and cash flow statement obtain inventory adjustments as follows:

Item	Year 2022	Year 2021
Inventory (increase) decrease	\$ (28,425)	\$ 1,829
Transfer to property, plant and equipment	(1,074)	(2,260)
Inventory reduces (increases) cash amount received (paid)	\$ (29,499)	\$ (431)

(VII) Prepayment

Item	Dec. 31, 2022	Dec. 31, 2021
Prepaid for materials	\$ 11,604	\$ 15,492
Prepaid bidding fee	-	5,500
Prepaid premiums	281	284
Retained tax credit	1,101	350
Prepaid other	1,548	736
Total	<u>\$ 14,534</u>	<u>\$ 22,362</u>

Prepaid bidding fee used for the company's proposed lease of the cement round warehouse and auxiliary equipment of the Kaohsiung Port Wharf.

(VIII) Other financial assets — Current

Item	Dec. 31, 2022	Dec. 31, 2021
Original maturity date more than 3 months		
Fixed deposit:		
NT Dollar Time Deposit	\$ 1,107	\$ 41,107
Foreign Currency Time Deposit	163,433	120,518
Total	<u>\$ 164,540</u>	<u>\$ 161,625</u>
Interest rate range	<u>0.78%-4.60%</u>	<u>0.22%-0.81%</u>

(IX) Financial assets measured at fair value through other comprehensive income — non-current

Item	Dec. 31, 2022	Dec. 31, 2021
Non-current		
Equity instruments		
Stocks of domestic listed companies	\$ 282,470	\$ 282,470
Stocks of domestic unlisted companies	185,956	186,023
Subtotal	<u>\$ 468,426</u>	<u>\$ 468,493</u>
Evaluation adjustment	<u>549,974</u>	<u>570,273</u>
Total	<u>\$ 1,018,400</u>	<u>\$ 1,038,766</u>

1. The company invests in the above-mentioned Domestic unlisted stocks according to the medium and long-term strategic purpose and expects to make profits through Long-term investment. The company's management believes that if the short-term Fair value fluctuations of these investments are included in the profit and loss, it is inconsistent with the abovementioned long-term investment plan, so it chooses to designate these investments as Through other comprehensive income measured at fair value.

2. The company adjusted the investment positions in Year 2022 and 2021 to diversify risks, and sell some Stocks according to Fair value, related other equity — Financial assets measured at fair value through other comprehensive income unrealized gains and losses were 475 thousand yuan and 254 thousand yuan respectively, then transfer Retained earnings.
3. Please refer to Note 12 as description for relevant credit risk management and evaluation methods.
4. The company has not pledged Financial assets measured at fair value through other comprehensive income.

(X) Investments using equity method

Invested company	Dec. 31, 2022	Dec. 31, 2021
Subsidiary:		
Southeast Investment Co.	\$ 608,461	\$ 672,848
Dongni Construction Co., Ltd.(Note)	786,536	293,908
Southeast Gaoliang Resources Recycling Co., Ltd.	68,635	73,149
Southeast Paper Manufacturing Co.	22,761	22,537
Southeast Miller International Co.	18,892	-
Da Yang Construction Co., Ltd.	100,807	-
Subtotal	\$ 1,606,092	\$ 1,062,442
Minus: Subsidiary holding parent company Stock reclassified as treasury stock	(12,185)	(12,185)
Subtotal	\$ 1,593,907	\$ 1,050,257
Significant associates:		
Taiwan Machinery Shipbuilding Co.	319,365	324,999
Individual insignificant associates	84,710	83,764
Total	\$ 1,997,982	\$ 1,459,020

Note: Formerly known as Southeast Assets Development Company Co.

1.Subsidiary:

- (1) For the Subsidiary information of the company, please refer to Note 4 (3) of the company's Year 2022 consolidated financial report.
- (2) Investments using the equity method and the company's share of gains and losses and other comprehensive income are calculated based on financial reports audited by accountants.

2.Associates:

- (1) The basic information of the Company's significant associates is as follows:

Company name	Shareholding ratio	
	Dec. 31, 2022	Dec. 31, 2021
Taiwan Machinery Shipbuilding Co., Ltd.	31.01%	31.01%

The nature of business, principal place of business and country information of company registration of the above-mentioned Associates, please refer to Note 13 Table-6.

- (2) The consolidated financial information of the company's major Associates is as follows:

A. Balance sheet

	Taiwan Machinery Shipbuilding Co..	
	Dec. 31, 2022	Dec. 31, 2021
Current assets	\$ 432,881	\$ 303,393
Non-current assets	1,160,957	1,151,348
Current debts	(435,481)	(380,002)
Non-current debts	(94,085)	(2,157)
Equity	\$ 1,064,272	\$ 1,072,582
Share of Associates' net assets	\$ 330,066	\$ 332,643
Unrealized gain or loss on Associates transaction	(10,701)	(7,644)
Associates Book value	\$ 319,365	\$ 324,999

B. Consolidated gain and loss table

Company name	Taiwan Machinery Shipbuilding Co.	
	Year 2022	Year 2021
Operating revenue	\$ -	\$ 191,440
Current net profit	(8,005)	49,538
Other comprehensive income (Net after-tax)	(1,905)	6,715
Total consolidated gain or loss this period	\$ (9,910)	\$ 56,253
Dividends received from Associates	\$ 2,561	\$ 2,443

- (3) The shares of individual insignificant Associates are summarized as follows:

	Year 2022	Year 2021
Entitled shares:		
Current net profit	\$ 1,222	\$ 2,064
Other comprehensive income (Net after-tax)	(275)	314
Total consolidated gain or loss this period	\$ 947	\$ 2,378

(4) Investments using the equity method and the company's share of gains and losses and other comprehensive income are calculated based on financial reports audited by accountants.

3. The company did not provide pledges for Investments using equity method on December 31, 2022 and 2021.

(XI) Property, plant, and equipment

Item	Dec. 31, 2022	Dec. 31, 2021
Land	\$ 720,848	\$ 720,588
House and Building	381,670	381,670
Machinery and Equipment	1,001,897	1,001,897
Transportation Equipment	25,036	25,036
Other devices	61,357	39,437
Equipment to be inspected and unfinished projects	126,071	21,655
Total cost	\$ 2,316,879	\$ 2,190,283
Minus: Cumulative depreciation	(1,067,259)	(1,056,153)
Cumulative impairment	(12,204)	(12,204)
Total	\$ 1,237,416	\$ 1,121,926

	Land	House & Building	Machinery & Equipment	Transport equipment	Other equipment	Equipment to be inspected and unfinished projects	Total
Costs							
2022.1.1Balance	\$ 720,588	\$ 381,670	\$1,001,897	\$ 25,036	\$ 39,437	\$ 21,655	\$2,190,283
Increase	260	-	-	-	267	124,995	125,522
Inventory transfer	-	-	-	-	-	1,074	1,074
Rearrange	-	-	-	-	21,653	(21,653)	-
2022.12.31Balance	\$ 720,848	\$ 381,670	\$1,001,897	\$ 25,036	\$ 61,357	\$ 126,071	\$2,316,879
Cumulative depreciation and Impairment							
2022.1.1Balance	\$ -	\$ 301,605	\$ 706,830	\$ 24,185	\$ 35,737	\$ -	\$1,068,357
Depreciation expense	-	343	8,884	306	1,573	-	11,106
2022.12.31Balance	\$ -	\$ 301,948	\$ 715,714	\$ 24,491	\$ 37,310	\$ -	\$1,079,463

	Land	House & Building	Machinery & Equipment	Transport equipment	Other equipment	Equipment to be inspected and unfinished projects	Total
Costs							
2021.1.1 Balance	\$ 153,748	\$ 388,959	\$2,646,621	\$ 25,036	\$ 50,050	\$ 25,191	\$3,289,605
Increase	-	-	25	-	3,877	900,148	904,050
Inventory transfer	-	-	-	-	-	2,260	2,260
Disciplinary	-	(85,910)	(1,905,232)	-	(14,490)	-	(2,005,632)
Rearrange	566,840	78,621	260,483	-	-	(905,944)	-
2021.12.31 Balance	\$ 720,588	\$ 381,670	\$1,001,897	\$ 25,036	\$ 39,437	\$ 21,655	\$2,190,283
Cumulative depreciation and Impairment							
2021.1.1 Balance	\$ -	\$ 387,336	\$2,601,783	\$ 23,863	\$ 49,879	\$ -	\$3,062,861
Depreciation expense	-	179	10,279	322	348	-	11,128
Disciplinary	-	(85,488)	(1,890,448)	-	(14,451)	-	(1,990,387)
Impairment reversal	-	(422)	(14,784)	-	(39)	-	(15,245)
2021.12.31 Balance	\$ -	\$ 301,605	\$ 706,830	\$ 24,185	\$ 35,737	\$ -	\$1,068,357

1. The property, plant, and equipment obtained from the additions and cash flow statement in this period are adjusted as follows:

Item	Year 2022	Year 2021
Property, plant, and equipment increment	\$ 125,522	\$ 904,050
Increase or decrease payables for purchase of equipment	-	6,090
Cash paid for purchase of property, plant, and equipment	\$ 125,522	\$ 910,140

2. Property, plant, and equipment Borrowing cost capitalization amount and Interest rate range: None
3. The Company's cumulative impairment in Year 2022 and 2021 is 0 thousand yuan and (15,245) thousand yuan respectively. Since the raw and clinker department of the Company has been shut down in 2018 years, the relevant equipment has been idle and unused. It is expected that the recoverable amount will be less than the carrying amount, provision for Impairment loss. However, it has scrapped some of the related equipment in Year 2021, so it was transferred to Cumulative damage, and the residual price of the above disposal belongs to the 3rd Level fair value.
4. Guaranteed information provided by Property, plant, and equipment: None

(XII) Lease agreement

1.Right-to-use assets

Item	Dec. 31, 2022	Dec. 31, 2021
Land	\$ 314,990	\$ 283,740
Building	372,001	18,839
Transport equipment	4,220	4,220
Total costs	\$ 691,211	\$ 306,799
Minus: Cumulative depreciation	(226,350)	(159,210)
Cumulative impairment	-	-
Net amount	\$ 464,861	\$ 147,589

Costs	Land	Building	Transport equipment	Total
2022.1.1 Balance	\$ 283,740	\$ 18,839	\$ 4,220	\$ 306,799
This period increases	31,250	353,162	-	384,412
This period decreases	-	-	-	-
2022.12.31 Balance	\$ 314,990	\$ 372,001	\$ 4,220	\$ 691,211
Cumulative depreciation and impairment				
2022.1.1 Balance	\$ 152,946	\$ 4,038	\$ 2,226	\$ 159,210
Depreciation expense	46,730	19,004	1,406	67,140
Submit list (Reversal)	-	-	-	-
Impairment loss	-	-	-	-
2022.12.31 Balance	\$ 199,676	\$ 23,042	\$ 3,632	\$ 226,350

Costs	Land	Building	Transport equipment	Total
2021.1.1 Balance	\$ 263,390	\$ 18,839	\$ 4,220	\$ 286,449
This period increases	39,479	-	-	39,479
This period decreases	(19,129)	-	-	(19,129)
2021.12.31 Balance	\$ 283,740	\$ 18,839	\$ 4,220	\$ 306,799
Cumulative depreciation and impairment				
2021.1.1 Balance	\$ 105,598	\$ 2,692	\$ 820	\$ 109,110
Depreciation expense	47,348	1,346	1,406	50,100
Submit list (Reversal)	-	-	-	-
Impairment loss	-	-	-	-
2021.12.31 Balance	\$ 152,946	\$ 4,038	\$ 2,226	\$ 159,210

2.Lease liability

Item	Dec. 31, 2022	Dec. 31, 2021
Lease liability carrying amount		
Current	\$ 60,297	\$ 47,214
Non-current	\$ 420,838	\$ 105,679

Discount rate range of Lease liability as below:

Item	Dec. 31, 2022	Dec. 31, 2021
Land	0.78%-1.64321%	0.85%-1.16%
Building	1.16%	1.16%
Transport equipment	1.16%	1.16%

For the maturity analysis of Lease liability, please refer to Note 12 (2)

3. Important lease activities and terms

The company leases some land, buildings and Transport equipment for operation, factory buildings and roads outside. The Lease period is 3-20 years. Some leases have the right to renew the lease at the expiration of the lease period, and some leases are based on the area of the leased land and the value of the section, and the rate or calculate the rent according to the current value of the land announcement in the year. The Company has included the lease renewal right upon expiration of the Lease period in Lease liability. In addition, according to the contract, without the consent of the lessor, the company shall not sublease the assets of the Lease subject to others. As of December 31, 2022 and 2021, there is no sign of impairment of Right-to-use assets, so no impairment evaluation has been performed.

Due to the severe impact of the novel coronavirus pneumonia epidemic on the market economy in 2020, the Group negotiated with the lessor on the land lease and the lessor agreed to an unconditional reduction of some of the rental amounts for Years 2022 and 2021. The Group recognized the impact of the aforementioned rent reduction in Years 2022 and 2021 as 3,790 thousand yuan and 6,245 thousand yuan recognized gain or loss (Billing as other revenue)

4. Sublet:

The Company sublets the 8th floor of the Southeast Building to the Vocational Training Council of the Ministry of Labor under an operating lease, and the related right-to-use assets are derecognized due to the sublet relationship, and a rental receivable is recognized at the same time. The year 2022 and 2021 are derived from right-to-use assets. The income from the sublet are 28 thousand yuan and 44 thousand yuan.

5. Other Leasing Information

- (1) The Company's agreement to lease out Investment property under operating leases, please refer to Note 6 (13) as description
- (2) Information for rental-related expenses for this period as follows:

Item	Year 2022	Year 2021
Short-term lease expense	\$ 50	\$ 61
Lease charges for low-value assets	\$ -	\$ -
Changes not included in the measurement of lease liabilities		
Lease payments expense	\$ -	\$ -
Total cash outflows from leases (Note)	\$ (56,220)	\$ (58,109)

(Note): Including principal payments on current lease obligation

In 2022 and 2021, the company chose to apply the recognition exemption for short-term leases and low-value asset leases and did not recognize the relevant right-of-use assets and lease liabilities for these leases.

XIII. Investment property

Item	Dec. 31, 2022	Dec. 31, 2021
Land	\$ 5,388,303	\$ 5,274,017
Building, construction and equipment	759,818	759,818
Total Costs	\$ 6,148,121	\$ 6,033,835
Minus: Accumulated depreciation	(498,392)	(494,150)
Accumulated impairment	(210,604)	(203,630)
Net amount	\$ 5,439,125	\$ 5,336,055

Costs	Land	Houses, buildings and equipment	Equipment to be inspected and unfinished projects	Total
2022.1.1 Balance				
Increase	\$ 5,274,017	\$ 759,818	\$ -	\$ 6,033,835
Rearrange	114,286	-	-	114,286
2022.12.31 Balance	-	-	-	-
Cumulative depreciation and impairment	\$ 5,388,303	\$ 759,818	\$ -	\$ 6,148,121
2022.1.1 Balance				
Depreciation expense	\$ -	\$ 697,780	\$ -	\$ 697,780
Impairment loss	-	4,242	-	4,242
2022.12.31 Balance	-	6,974	-	6,974
	\$ -	\$ 708,996	\$ -	\$ 708,996

	Land	Houses, buildings and equipment	Equipment to be inspected and unfinished projects	Total
Costs				
2021.1.1 Balance	\$ 5,272,583	\$ 754,283	\$ 5,535	\$ 6,032,401
Increase	1,434	-	-	1,434
Rearrange	-	5,535	(5,535)	-
2021.12.31 Balance	\$ 5,274,017	\$ 759,818	\$ -	\$ 6,033,835
Cumulative depreciation and impairment				
2021.1.1 Balance	\$ -	\$ 693,539	\$ -	\$ 693,539
Depreciation expense	-	4,241	-	4,241
2021.12.31 Balance	\$ -	\$ 697,780	\$ -	\$ 697,780

1. Investment property rental income and direct operating expenses:

Item	Year 2022	Year 2021
Investment property rental income	\$ 101,112	\$ 59,003
Direct operating expenses of investment property for current rental income	\$ 54,045	\$ 38,022
Direct operating expenses of investment property for non-current rental income	\$ 375	\$ 376

2. The total received future lease payments for investment property leased under operating leases are as follows:

	Total significant lease payments	
	Dec. 31, 2022	Dec. 31, 2021
1st year	\$ 11,408	\$ 25,129
2nd year	105,030	26,874
3rd year	109,117	27,197
4th year	110,502	27,215
5th year	110,592	28,298
Over 5 years	3,210,941	164,704
Total	\$ 3,657,590	\$ 299,417

3. The Fair value of the investment property is partly based on the evaluation results of independent evaluation experts in recent years, and the evaluation is based on the comparative method; Part of the evaluation is based on the real estate transaction price inquiry service website of the Ministry of the Interior or the website of the real estate agency, and the prices of recent transactions in similar areas and types, all of which belong to the 3rd level Fair value, and the Fair value obtained from the evaluation is as follows:

Item	Dec. 31, 2022	Dec. 31, 2021
Fair value	\$ 18,279,653	\$ 11,170,624

4. As of December 31, 2022 and 2021, part of the Company's land cannot be registered in the name of the Company due to legal restrictions and is temporarily registered in the name of the individual. However, in order to ensure Equity, the Company has obtained the registrant's commitment that when the legal restrictions are lifted, it will unconditionally transfer the name of the Company to the Company's name or have completed the preservation measures for the mortgage registration.
5. Guaranteed information provided by Investment property, please refer to Note 8 as description
6. As mentioned in Note 6 (31), due to the termination of the lease of the land and its land in the Bay Area by Boyuan Construction Co., Ltd. the Book value of the related equipment cannot be recovered through the use or sale. The Impairment loss (Reversal benefits) of 6,974 thousand yuan and 0 thousand yuan in Year 2022 and 2021, respectively, was estimated based on the disposal residual value of the related assets. The above disposal residual value is the 3rd-level fair value.

(XIV) Deposit guarantee

Item	Dec. 31, 2022	Dec. 31, 2021
Mine deposit	\$ 562	\$ 562
Lease deposit	14,091	8,466
Membership deposit	165	165
Other deposits	16	16
Total	\$ 14,834	\$ 9,209

(XV) Short-term loan

Nature of loan	Dec. 31, 2022	
	Amount	Interest rate
Mortgage loan	\$ 1,450,000	1.59%-1.975%
Credit loan	80,000	1.40%
Total	\$ 1,530,000	

Nature of loan	Dec. 31, 2021	
	Amount	Interest rate
Mortgage loan	\$ 770,000	0.78%-0.8%
Credit loan	470,000	0.78%
Total	\$ 1,240,000	

For Short-term loan, the company provides part of the Investment property as a guarantee for the loan, please refer to Note 8 as description.

(XVI) Short-term notes payable

Item	Dec. 31, 2022	Dec. 31, 2021
Commercial paper payable	\$ 260,000	\$ 40,000
Minus: Unamortized discount	(32)	(9)
Net amount	\$ 259,968	\$ 39,991
Interest rate range	2.038%-2.12%	0.85%

(XVII) Contract liabilities

Item	Dec. 31, 2022	Dec. 31, 2021
Cement to be picked up	\$ 18,843	\$ 30,505
Receipts in advance	27	27
Total	\$ 18,870	\$ 30,532

(XVIII) Other payables

Item	Dec. 31, 2022	Dec. 31, 2021
Salaries and bonuses payable	\$ 15,536	\$ 13,124
Goods tax payable	7,713	7,722
Utilities payable	9,106	8,025
Taxes payable	3,037	3,159
Dividend payable - prior period	3,977	3,977
payable to employees and Directors' remuneration	9,594	8,157
Other	12,833	14,096
Total	\$ 61,796	\$ 58,260

(XIX) Provision for Liabilities - Current

Item	Dec. 31, 2022	Dec. 31, 2021
Staff Welfare	\$ 1,441	\$ 1,572

Item	Staff welfare	Item	Staff welfare
Jan. 1, 2022	\$ 1,572	Jan. 1, 2021	\$ 1,553
Current New-added Liability reserve	1,441	Current New-added Liability reserve	1,572
Current used Liability reserve	(1,572)	Current used Liability reserve	(1,553)
Dec. 31, 2022	\$ 1,441	Dec. 31, 2021	\$ 1,572

Employee benefits liability reserve is an estimate of employees vested short-term service leave entitlements.

(XX) Pensions

- At the end of 2004, the Company handled employees' voluntary retirement and voluntary resignation measures in accordance with the Labor Standards Act. Since July 1, 2005, the company has formulated a retirement method with a definite

contribution in accordance with the "Labor Pension Regulations", which is applicable to employees of R.O.C. nationality. For employees who choose to apply the labor pension system stipulated in the "Labor Pension Regulations", the company contributes 6% of salary to the labor insurance bureau employee's personal account every month. The employee's pension is paid in the form of monthly pension or one-time pension according to the employee's personal pension account and the amount of accumulated income.

2. In Year 2022 and 2021, the Company's pension costs recognized as expenses in accordance with the above-mentioned pension method are 2,726 thousand yuan and 2,534 thousand yuan.

(XXI) Deposit guarantee

Item	Dec. 31, 2022	Dec. 31, 2021
Lease deposit	\$ 32,546	\$ 20,476
Cement security deposit	3,282	3,481
Total	<u>\$ 35,828</u>	<u>\$ 23,957</u>

For related party traders, please refer to Note 7 (3) 6 as description.

(XXII) Common share capital

Item	Year 2022		Year 2021	
	Number of shares (Thousand)	Amount	Number of shares (Thousand)	Amount
Jan. 1st	572,000	\$ 5,720,008	572,000	\$ 5,720,008
Seasoned equity offering	-	-	-	-
Transfer surplus to capital	-	-	-	-
Dec.31	<u>572,000</u>	<u>\$ 5,720,008</u>	<u>572,000</u>	<u>\$ 5,720,008</u>

As of Dec. 31, 2022, the company's rated capital is 8,000,000 thousand yuan, which is divided into 800,000 thousand shares.

(XXIII) Capital surplus

Item	Dec. 31, 2022	Dec. 31, 2021
Stock issue premium	118,316	118,316
Treasury stock transaction	67,056	66,846
Recognized for investing with Equity method	3,211	3,211
Total	<u>\$ 188,583</u>	<u>\$ 188,373</u>

According to the provisions of the Company Law, the capital surplus from the issuance of stocks exceeding the par value and the capital surplus from the receipt of

gifts may be used to make up for losses. When the company has no accumulated losses, new shares or cash may be issued to shareholders in proportion to their original shares. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when capitalizing the above-mentioned Capital Surplus, the total amount shall not exceed 10% of the paid-in capital each year. If the company still has insufficient surplus reserves to cover capital losses, it shall not use capital surplus to make up for it. Capital surplus generated by Investments using equity method shall not be used for any purpose.

(XXIV) Retained earnings and Dividends policy

1. According to the surplus distribution policy stipulated in the company's articles of association, if the company's annual final accounts have a surplus, it should pay taxes first and make up for previous losses, and the next 10% is the Legal surplus reserve, until the Legal surplus reserve has reached the total capital of the company, and after the special surplus reserve is withdrawn or reversed in accordance with the regulations of the competent authority, its balance will be adjusted as the surplus available for distribution after the accumulated undistributed surplus of the previous year and the undistributed surplus of the current year. The board of directors drafts the Surplus appropriation and distributes shareholder dividends after submitting to the resolution of the shareholders' meeting.

The company's dividends should take into account the characteristics of the business climate changes, the life cycle needs of each product or service for future funds and long-term financial planning. Under the goal of maintaining a stable dividend, the distribution of shareholder dividends is based on the principle of allocating Cash dividends. However, if the company has capital needs such as capacity expansion, financial structure improvement, and major investment plans, more than 50% will be stock dividends, and the rest will be cash dividends.

2. Legal surplus reserve shall not be used except to make up for the company's losses and to issue new shares or cash in proportion to the shareholders' original shares. However, the issue of new shares or cash shall be limited to the portion of the reserve exceeding 25% of the paid-in capital.

3.(1) When the company distributes the surplus, according to laws and regulations, the debit balance of other equity items on the balance sheet date of the current year must be withdrawn from the Special surplus reserve before distribution. When the debit balance of other equity items is reversed later, the reversed amount may be included in the distributable surplus.

(2) When adopting IFRSs for the first time, according to the special surplus reserve listed in Jin Guan Zheng Fa Zi No. 1010012865 letter dated April 6, 2012, if the company subsequently uses, disposals or rearranges related assets, it may reverse the original special surplus reserve ratio to distributable retained earnings.

4. The company's 2021 and 2020 annual Surplus appropriation and Dividend per share resolutions in June 2022 and August 2021 are as follows:

Item	Surplus appropriation		Dividend per share (Yuan)	
	Year 2021	Year 2020	Year 2021	Year 2020
Legal surplus reserve	\$ 14,023	\$ 3,632		
Common stock cash dividend	114,400	57,200	\$ 0.20	\$ 0.10
Total	<u>\$ 128,423</u>	<u>\$ 60,832</u>		

5. On March 14, 2023, the company proposed the year 2022 profit distribution plan by the board of directors as follows:

	Surplus appropriation	Dividend per share (Yuan)
Legal surplus reserve	\$ 14,952	
Common stock cash dividend	57,200	\$ 0.10
Total	<u>\$ 72,152</u>	

The appropriation of earnings for Year 2022 is subject to the resolution of the annual shareholders' meeting to be held in June 2023.

6. For the proposals of the company's board of directors and the resolution of the shareholders' meeting on profit distribution, please visit the Website: "Public Information Observatory" of the Taiwan Stock Exchange.

(XXV) Special surplus reserve

Item	Dec. 31, 2022	Dec. 31, 2021
Plant construction preparation	\$ 500,000	\$ 500,000
Applying International Accounting Standards as first time	310,918	310,918
Total	<u>\$ 810,918</u>	<u>\$ 810,918</u>

1. Plant construction preparation is a special surplus reserve for the construction of domestic or overseas plants, which was approved by the shareholders' meeting in 1994.
2. The Company reclassified the unrealized revaluation increment previously recognized under General Accepted Accounting Principles of R.O.C. to Retained earnings of 341,766 thousand yuan due to the first-time adoption of IAS. According to the No. 1010012865 order of Jin Guan Zheng Fa Zi, the Special surplus reserve of the same

amount should be withdrawn, however, since the adjustment of retained earnings on the conversion date is only 319,012 thousand yuan, the amount of the special reserve is 319,012 thousand yuan.

3. The Special surplus reserve listed above due to the adoption of IFRSs for the first time, if the company uses it later, when disposal or rearrange related assets, the ratio of the original special surplus reserve can be reversed to distributable retained earnings. As of December 31, 2022, the 8,094 thousand yuan was transferred to the undistributed surplus due to the reversal of the original special surplus reserve ratio of the Disposal Investment property.

(XXVI) Other equity items

Item	Unrealized (loss) loss through Other comprehensive income financial assets measured by Fair value	
	Year 2022	Year 2021
Opening balance	\$ 551,296	\$ 500,520
Unrealized gain (loss) on equity instrument investments measured by Fair value for other comprehensive income as Opening balance	(19,824)	50,042
Equity instrument of disposal through other comprehensive income measured at fair value	(475)	(254)
Adopt the Equity method to recognize the share of Associates and joint venture — Through other comprehensive income measured at Unrealized evaluation (loss) of investment in equity instrument of fair value	(7,048)	988
Ending balance	<u>\$ 523,949</u>	<u>\$ 551,296</u>

(XXVII) Treasury stock

1. The changes in the investment in the Company's stock held by Subsidiary as treasury stock are summarized as follows:

Year 2022:

Item	Initial No. of Shares	Increase (decrease) in this period	Unit: Thousand shares
			No. of shares at end-period
Shares of parent company held by subsidiary			
Transfer from long-term investment to treasury stocks			
	<u>2,113</u>	<u>-</u>	<u>2,113</u>

Year 2021:Unit: Thousand
shares

Item	Initial No. of Shares	Increase (decrease) in this period	No. of shares at end-period
Shares of parent company held by subsidiary Transfer from long-term investment to treasury stocks	2,113	-	2,113

2. The company obtained control over Southeast Paper Manufacturing Co. at the end of December 2011, so it transferred its Billing as investment to the parent company (Financial assets measured at fair value through other comprehensive income—non-current) with a book value of 24,509 thousand yuan. According to the Shareholding ratio 49.71% transferred to treasury stocks, the amount on December 31, 2022 and 2021 is 12,185 thousand yuan. The market prices of the above-mentioned Southeast Paper Manufacturing Co. holding the company's stock on December 31, 2022 and 2021 are 39,511 thousand yuan and 42,786 thousand yuan respectively. Shares of parent company held by subsidiary are treated as Treasury stock and still enjoy the right to dividend distribution.

(XXVIII) Operating revenue

Item	Year 2022	Year 2021
Customer contract income		
Sales revenue	\$ 1,600,359	\$ 1,521,862
Minus: Discount on sales	-	-
Net operating income from customer contracts	\$ 1,600,359	\$ 1,521,862
Lease income	101,112	59,003
Net operating income	\$ 1,701,471	\$ 1,580,865

1. Description of customer contract**A. Sales revenue**

The sales revenue of cement and furnace slag powder products in the production department is mainly sold as dealers, and they are sold at a fixed price as agreed in the contract.

2. Other operating revenue

Lease income from operating leases is recognized as income on a straight-line basis over the Lease period.

3. Revenue from customer contracts is broken down as follows:

The Company's revenue can be broken down into the following major product lines and geographic regions:

Major Regional Markets	Year 2022	Year 2021
Taiwan		
Main product lines	\$ 1,600,359	\$ 1,521,862
Cement		
Furnace stone powder, etc.	\$ 1,417,667	\$ 1,311,607
Raw Materials	181,322	200,855
Total	1,370	9,400
Point of revenue recognition	\$ 1,600,359	\$ 1,521,862
Satisfaction of contractual obligations at a certain point in time		
Obligation to be satisfied over time	\$ 1,600,359	\$ 1,521,862
Total	-	-
	\$ 1,600,359	\$ 1,521,862

4. Contract balance

The company recognizes the receivables and contract liabilities related to customer contract revenue as follows:

Item	Dec. 31, 2022	Dec. 31, 2021
Receivables	\$ 371,879	\$ 307,956
Contract liabilities—Current	\$ 18,870	\$ 30,532

5. Significant changes in contract assets and contract liabilities

The changes in contract assets and contract liabilities are mainly due to the difference between the timing of meeting performance obligations and the timing of payment by customers, and there are no other significant changes.

6. The amount recognized as income in the current period from contract liabilities at the beginning of the period and fulfilled performance obligations in the previous period is as follows:

Amount recognized as income in current period	Year 2022	Year 2021
From begin of Contract liabilities	\$ 29,274	\$ 72,296
Performance obligation from prior period satisfied	\$ -	\$ -

(XXIX) Employee benefits, depreciation, depletion and Amortized expense

Character	Year 2022		
	Belong to operating cost	Belong to operating expense	Total
Employee benefit costs			
Salary costs	\$ 45,446	\$ 24,364	\$ 69,810
Labor and health insurance premium	3,081	3,068	6,149
Pension cost	1,961	765	2,726
Directors' remuneration	-	8,167	8,167
Other employee benefit costs	5,622	2,979	8,601
Depreciation expense	36,597	45,891	82,488
Total	<u>\$ 92,707</u>	<u>\$ 85,234</u>	<u>\$ 177,941</u>

Character	Year 2021		
	Belong to operating cost	Belong to operating expense	Total
Employee benefit costs			
Salary costs	\$ 43,723	\$ 20,856	\$ 64,579
Labor and health insurance premium	2,895	2,803	5,698
Pension cost	1,840	694	2,534
Directors' remuneration	-	8,404	8,404
Other employee benefit costs	5,970	2,710	8,680
Depreciation expense	39,557	25,912	65,469
Total	<u>\$ 93,985</u>	<u>\$ 61,379</u>	<u>\$ 155,364</u>

1. The company's additional information on Number of employees and Employee benefit costs in 2022 and 2021 is as follows:

Item	Dec. 31, 2022	Dec. 31, 2021
No. of employees	112	112
No. of directors - not employees	7	7
Average employee benefit costs	\$ 831	\$ 776
Average employee salary cost	\$ 665	\$ 615
Average employee salary cost adjustment changes 8.13% ~ 9.43%	8.13%	9.43%

2. The company's remuneration policy (including directors, managers, and employees) is as follows:

(1) Directors' remuneration

According to the articles of association of the company, the remuneration of the directors of the company is determined by the board of directors according to the degree of participation in the operation of the company and the value of the contribution, taking into account the industry standards at home and abroad. The

company's articles of association also clearly stipulate that no more than 3% of the annual profit will be used as the director's remuneration.

(2) Manager compensation

The amount of remuneration given to the company's managers is based on their duties, contributions, the company's operating performance for the year, and considering the company's future risks. It is reviewed by the remuneration committee and submitted to the board of directors for resolution.

(3) Employee compensation

The company is committed to providing employees with an average salary and benefits in the industry. Under the premise of taking into account external competition, internal fairness and legality, we provide a competitive salary system, and uphold the concept of profit sharing with employees to retain and motivate employees. The remuneration of the company's employees includes monthly salaries and employee compensation based on the company's annual profit status. According to the company's articles of association, no less than 2% of the annual profit is stipulated as employee remuneration.

3. According to the articles of association of the company, if the company makes profits in the year, the company allocates employee compensation and directors and supervisors' remuneration at a rate of no less than 2% and no more than 3% of the pre-tax benefits before deducting the distribution of employees and directors and supervisors' remuneration in the current year. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance. Year 2022 and 2021 are distributed equally according to the abovementioned pre-tax benefits not less than 2% of the estimated employee compensation and no more than 3% of the estimated directors and supervisors' remuneration. If there is still a change in the amount after the annual financial report is released, it will be treated as a change in accounting estimate and will be adjusted and recorded in the next year.
4. On March 14, 2023 and March 15, 2022, the company's board of directors resolved to approve Year 2022 and 2021 Employee compensation and Directors' remuneration, and the relevant amounts recognized in the financial report are as follows:

Item	Year 2022		Year 2021	
	Employee compensation	Directors' remuneration	Employee compensation	Directors' remuneration
Amount of allotment resolved	\$ 4,797	\$ 4,797	\$ 3,263	\$ 4,894
Amount recognized in the annual financial report	4,797	4,797	3,263	4,894
Variance amount	\$ -	\$ -	\$ -	\$ -

The Employee compensation listed above is paid in cash.

5. For information about the Employee compensation and Directors' remuneration resolutions of the company's board of directors, please visit the "Public Information Observatory" of the Taiwan Stock Exchange.

(XXX) Interest income

Item	Year 2022	Year 2021
Bank deposit interest	\$ 2,989	\$ 862
Capital loan and interest	966	846
Interest income of Rental receivable	28	44
Other interest	5	2,502
Total	\$ 3,988	\$ 4,254

(XXXI) Other revenue

Item	Year 2022	Year 2021
Dividend income	\$ 48,527	\$ 39,644
Compensation for demolition and relocation	114,286	-
Income from sale of air pollution reduction	916	35,512
Income from sale of scrap iron, etc.	156	419
Rent reduction income	3,790	6,245
Other	9,060	14,298
Total	\$ 176,735	\$ 96,118

On October 6, 2022, the Group received a notice from Boyuan Construction Co., Ltd. to terminate the lease agreement of No. 763, Wannei Section, Sanmin District, Kaohsiung City, and the building on the same lot No. 674, and the lease agreement was terminated on October 14, 2022, in accordance with Article 1 of the Supplemental Lease Agreement and Article 9, Paragraph 1 of the Lease Agreement, in which the lessee paid NT\$114,286 thousand (before tax) to the Group as compensation for the demolition of the above building if the lessee notified the termination of the lease agreement.

(XXXII) Other gains and losses

Item	Year 2022	Year 2021
Financial assets at fair value through gain or loss	\$ (8)	\$ (3,405)
Liability evaluation net loss		
Disposal of financial assets at fair value through gain or loss	(5,297)	(1,312)
Net foreign currency exchange gain (loss)	17,282	(3,730)
Impairment loss on investment properties	(6,974)	-
Other losses	(7,893)	(5,760)
Lease modification gain	-	232
Other impairment losses	(702)	-
Total	<u>\$ (3,592)</u>	<u>\$ (13,975)</u>

For other impairment losses, see Note 6 (37).

(XXXIII) Financial costs

Item	Year 2022	Year 2021
Interest bank loans	\$ 13,329	\$ 6,191
Interest lease liabilities	1,569	1,913
Other interest	245	160
Sub-total	<u>\$ 15,143</u>	<u>\$ 8,264</u>
Minus: Eligible assets capitalized	-	-
Financial costs	<u>\$ 15,143</u>	<u>\$ 8,264</u>

(XXXIV) Income tax

1. Income tax expenses

(1) The components of income tax expenses as follows:

	Year 2022	Year 2021
<u>Current income tax</u>		
Current income tax incurred	\$ -	\$ -
Overestimation of prior years' income tax	(1,262)	(2,205)
Tax on undistributed earnings	-	-
Total current income tax	<u>\$ (1,262)</u>	<u>\$ (2,205)</u>
<u>Deferred income tax</u>		
Original generation and reversal of temporary differences	\$ 2,514	\$ 17,210
Total deferred income tax	<u>\$ 2,514</u>	<u>\$ 17,210</u>
Income tax expense (benefit)	<u>\$ 1,252</u>	<u>\$ 15,005</u>

(2) Income tax expense (benefit) related to other comprehensive income: None.

2. A reconciliation of accounting income and income tax expense recognized in gain or loss for the year is as follows:

Item	Year 2022	Year 2021
Net income before income tax	\$ 150,295	\$ 154,990
Net income before income tax at statutory tax rate	\$ 30,059	\$ 30,998
Effect of adjusting items.		
The effect of exclusion of items from the calculation of taxable income		
Investment loss (gain) recognized under the equity method	12,819	(11,366)
Gain on suspension of securities transactions	(331)	(4,223)
Unrealized Inventory loss (gain on reversal)	(1,261)	(3,523)
Other Adjustments	(23,192)	(6,819)
Net change in deferred income tax	(18,094)	(5,067)
Overstatement of prior years' income taxes	2,514	17,210
Income tax expense recognized in gain or loss	(1,262)	(2,205)
Net income before income tax	\$ 1,252	\$ 15,005

The income tax rate applicable to the Company is 20% and the tax rate applicable to undistributed earnings is 5%.

In July 2019, the President announced an amendment to the Industrial Innovation Act, which added that the amount of undistributed earnings reinvested in certain assets or technologies from 2018 onward may be deducted from the calculation of undistributed earnings. The Company has deducted the amount of capital expenditures for actual investment in the calculation of undistributed earnings.

3. Deferred income tax assets or liabilities arising from temporary differences, loss carryforwards and investment tax credits:

	Year 2022		
	Opening balance	Recognized as (loss) gain	Ending balance
Deferred income tax assets			
Temporary differences			
Cement to be provided	\$ 326	\$ 47	\$ 373
Impairment loss on investment property	40,726	1,395	42,121
Impairment loss on property, plant and equipment	2,441	-	2,441
Investment gain or loss recognized under the equity method	2,370	(2,370)	-
Inventory doubtful and impairment losses	5,775	(1,261)	4,514
Other	6,745	(6,298)	447
Unused loss carryforwards	19,429	2,809	22,238
Subtotal	\$ 77,812	\$ (5,678)	\$ 72,134

Deferred income tax liabilities			
Provision for land appreciation tax	\$ (237,122)	\$ -	\$ (237,122)
Temporary differences			
Depreciation and tax differences	(44,042)	3,164	(40,878)
Subtotal	\$ (281,164)	\$ 3,164	\$ (278,000)
Total	\$ (203,352)	\$ (2,514)	\$ (205,866)

Year 2021			
	Opening balance	Recognized as (loss) gain	Ending balance
Deferred income tax assets			
Temporary differences			
Cement to be provided	\$ 827	\$ (501)	\$ 326
Impairment loss on investment property	40,726	-	40,726
Impairment loss on property, plant and equipment	5,490	(3,049)	2,441
Investment gain or loss recognized under the equity method	1,866	504	2,370
Inventory doubtful and impairment losses	9,298	(3,523)	5,775
Other	6,646	99	6,745
Unused loss carryforwards	28,923	(9,494)	19,429
Subtotal	\$ 93,776	\$ (15,964)	\$ 77,812
Deferred income tax liabilities			
Provision for land appreciation tax	\$ (237,122)	\$ -	\$ (237,122)
Temporary differences			
Depreciation and tax differences	(42,796)	(1,246)	(44,042)
Subtotal	\$ (279,918)	\$ (1,246)	\$ (281,164)
Total	\$ (186,142)	\$ (17,210)	\$ (203,352)

4. Items unrecognized as deferred tax assets:

Item	Dec. 31, 2022	Dec. 31, 2021
Deductible temporary differences	\$ 21,523	\$ 11,335
Losses deducted	17,760	38,760
Total	\$ 39,283	\$ 50,095

5. The Company's income tax has been approved by the tax authorities through 2020.

(XXXV) Other comprehensive income

Item	Year 2022		
	Pre-tax amount	Income tax (expense) benefit	Net after-tax
Items not reclassified to gain or loss:			
Share of Associates and joint ventures recognized under equity method			
Other comprehensive gain or loss	\$ (7,048)	\$ -	\$ (7,048)
Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive gain or loss	(19,824)	-	(19,824)
Unrealized gain or loss on investment in equity instruments			
Recognized in other comprehensive gain or loss	\$ (26,872)	\$ -	\$ (26,872)

Item	Year 2021		
	Pre-tax amount	Income tax (expense) benefit	Net after-tax
Items not reclassified to gain or loss:			
Share of Associates and joint ventures recognized using equity method			
Remeasurement of defined benefit plans	\$ (5)	\$ -	\$ (5)
Other comprehensive income	988	-	988
Unrealized valuation gains or losses on investments in equity instruments measured at fair value through Other comprehensive income	50,042	-	50,042
Recognized in other comprehensive income	\$ 51,025	\$ -	\$ 51,025

(XXXVI) Earnings per common share

Item	Year 2022	Year 2021
A 、 Basic EPS:		
Current net profit	\$ 149,043	\$ 139,985
Current weighted average Number of shares (Thousand) in circulation	569,887	569,887
Basic EPS (after tax) (Yuan)	\$ 0.26	\$ 0.25
B 、 Diluted EPS:		
Current net profit	\$ 149,043	\$ 139,985
Potential Common stock impact with dilution	-	-
Current net profit of Calculating Diluted EPS	\$ 149,043	\$ 139,985
Current weighted average Number of shares (Thousand) in circulation	\$ 569,887	\$ 569,887
Employee compensation impact number (Note)	298	63
Weighted average of Calculating Diluted EPS	\$ 570,185	\$ 569,950
No. of outside shares (Thousand)		
Diluted EPS (after tax) (Yuan)	\$ 0.26	\$ 0.25

(Note) If the company can choose to issue employee compensation in stock or cash, when calculating Diluted EPS, it is assumed that employee compensation will be issued in stock, and when the potential common stock has a diluting effect, it is included in the weighted average number of shares in circulation to calculate Diluted EPS. When deciding on Employee compensation to issue the Calculating Diluted EPS before Number of shares in the next year, the dilution effect of these potential common stocks will continue to be considered.

(XXXVII) Business merger

1.Acquisition of subsidiary

Company name	Acquisition date	Voting Ownership Equity/Acquisition ratio (%)	Transfer consideration
Da Yang Construction	Dec. 5, 2022	100%/100%	\$ 100,300

(1) Da Yang Construction Co.: The Group has purchased more equity in Da Yang Construction Co. for long-term business development considerations, investment strategies for diversified operations, and clear division of leadership. As a result, the Group's shareholding in Da Yang Construction Co. increased from 0% to 100%.

2. Assets acquired, and liabilities assumed at the date of acquisition

	<u>Da Yang Construction</u>
Current assets	
Cash and cash equivalents	\$ 101,182
Accounts receivable	2,434
Prepayments	558
Non-current assets	
Deposit guarantee	6
Current debts	
Accounts payable	(3,913)
Contract liabilities	(669)
Recognized net assets	<u>\$ 99,598</u>

3. Goodwill arising on acquisition (Impairment loss)

	<u>Da Yang Construction</u>
Current assets	\$ 100,300
Minus: Fair value of Recognized net assets acquired	(99,598)
Goodwill arising on acquisition (Impairment loss)	<u>\$ 702</u>

VII、Related party transaction

(I) Parent company and ultimate controller:

The Company is the ultimate controller of the Company.

(II) Related party name and relationship

Related party name	Relationship with the company
Southeast Paper Manufacturing Co.	Subsidiary
Southeast Investment Co.	Subsidiary
Southeast Gaoliang Resources Recycling Co.	Subsidiary
Dongni Construction Co., Ltd.	Subsidiary
Da Yang Construction Co., Ltd.	Subsidiary
Southeast Miller International Co. Ltd.	Subsidiary
Southeast Industrial Construction Co., Ltd.	Associates
Nanxia Wood Industry Co., Ltd.	Associates
Taiwan Machinery Shipbuilding Co., Ltd.	Associates
Penghu Cable TV Co., Ltd.	Other related party
Penghu Bay Co., Ltd.	Other related party
Zhonglian Resources Co., Ltd.	Other related party
Baifu Investment Co., Ltd.	Other related party
Chint Cement Plant Co.	Other related party
Chint Resources Development Co.	Other related party
East Tree Investment Co., Ltd.	Other related party
Taiwan concrete industry co.	Other related party
Taiwan-Mix Resources Development Co.	Other related party
Chen Zhaoshu Charity Foundation	Other related party
Tiancheng concrete industrial Co., Ltd.	Other related party
Da Hao Enterprise Management Co.	Other related party
Dongyue Investment Co., Ltd.	Other related party
Zheng Chen Dunling	Other related party
Chen Lifei	Other related party
Huang Meiyu	Other related party
Chen Jianhao	Other related party
Chen Guanhua	Other related party

(III) Significant Transactions with related party

1. Operating revenue:

Item	Type/Related party name	Year 2022	Year 2021
Sales revenue	Other related party		
	Tiancheng concrete industrial Co., Ltd.	\$ 167,232	\$ 110,976
	Others	33,675	31,723
	Subsidiary	52,777	10,129
	Total	\$ 253,684	\$ 152,828
Rental income	Associates	\$ 15	\$ 15
	Other related party	167	167
	Subsidiary	68,718	15
	Total	\$ 68,900	\$ 197

(1) Sales revenue:

The Company's sales price of the above companies is roughly Equivalent to that of general customers. The average collection period is about 2-3 months, and the collection will be extended within one month after the two parties agree.

(2) Rental income:

The company leases to the above companies, the lease price is in accordance with the contract, and the rental is charged monthly.

2. Purchase:

Type of Related Party	Year 2022	Year 2021
Subsidiary		
Others	\$ 5	\$ -
Other related party		
Others	78	528
Total	<u>\$ 83</u>	<u>\$ 528</u>

The company's purchase price to the above companies is approximately equivalent to that of general suppliers, and the Average payment period is about 3 months.

3.Contract assets: None

4.Contract liabilities:

Type/Related party name	Dec. 31, 2022	Dec. 31, 2021
Other related party	<u>\$ -</u>	<u>\$ 320</u>

5. Receivables from related parties (Exclude loans to related parties) :

Item	Type/Related party name	Dec. 31, 2022	Dec. 31, 2021
Accounts receivable	Subsidiary	\$ 82,342	\$ 4,297
	Other related party		
	Tiancheng concrete industrial Co., Ltd	30,852	34,842
	Others	3,807	-
Subtotal		<u>\$ 117,001</u>	<u>\$ 39,139</u>
Minus:			
Allowance losses		(416)	(418)
Net amount		<u>\$ 116,585</u>	<u>\$ 38,721</u>
Deposit guarantee	Other related party	<u>\$ 6,000</u>	<u>\$ 6,000</u>

The expected credit losses recognized (reversed) for the above Receivables from related parties in 2022 and Year 2021 are (2) thousand yuan and (29) thousand yuan respectively.

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

Item	Type of Related Party	Dec. 31, 2022	Dec. 31, 2021
Deposit guarantee	Subsidiary		
	Southeast Miller Co..	\$ 24,000	\$ -
	Other related party	60	60
	Total	<u>\$ 24,060</u>	<u>\$ 60</u>
Other current liabilities	Subsidiary		
	Da Yang Construction	<u>\$ 1</u>	<u>\$ -</u>

7. Prepayment:

Type/Related party name	Dec. 31, 2022	Dec. 31, 2021
Other related party		
Others	<u>\$ 2</u>	<u>\$ 2</u>

8. Property transaction:

(1) Acquire Financial assets:

Year 2022:

Type/Related party name	Transaction subject	Transaction amount
Other related party		
East Tree Investment Co.	Da Yang Construction Co., Ltd. Shareholding 3,600 thousand shares	\$ 40,120
Chen Guanhua Co.	Da Yang Construction Co., Ltd. Shareholding 2,700 thousand shares	30,090
	Total	<u>\$ 70,210</u>
Associates		
Southeast Industrial Construction Co., Ltd.	Da Yang Construction Co. Shareholding 2,700 thousand shares	<u>\$ 30,090</u>

The transaction price of the above shares was determined by mutual bargaining with reference to the net value per share of Invested Company, and the transaction price has been paid in full as of December 31, 2023.

Year 2021: None

9. Lease agreement:

(1) Right-to-use assets Lessee acquired

Account Items/Type/Related party name	Lease subject	Year 2022	Year 2021
Acquire Right-to-use assets			
Other related party			
Chint Cement Plant Co.	Gaonan Section & other lands	\$ -	\$ 39,479

Account Items/Type/Related party name	Dec. 31, 2022	Dec. 31, 2021
Lease liability		
Other related party		
Chint Cement Plant Co.	\$ 61,690	\$ 81,358
Zheng Chen Dunling	13,760	15,051
Others	3,033	5,907
Total	<u>\$ 78,483</u>	<u>\$ 102,316</u>

Account Items/Type/Related party name	Year 2022	Year 2021
Interest expense		
Other related party	<u>\$ 831</u>	<u>\$ 1,041</u>

(2) Lease agreement:

Type/Related party name	Year 2022	Year 2021
Other related party	<u>\$ 12</u>	<u>\$ 12</u>

The terms of the above lease are based on the contract, and the rent is paid monthly and semi-annually.

10. Lease agreement: Please refer to Note 7(3)1 as description.

11. Loan to related party:

(1) Other receivables

Type/Related party name	Year 2022	
	Ending balance	Maximum balance
Subsidiary		
Dongni Construction Co.	<u>\$ -</u>	<u>\$ 155,000</u>

Type/Related party name	Year 2021	
	Ending balance	Maximum balance
Subsidiary		
Dongni Construction Co. (Note)	<u>\$ 30,000</u>	<u>\$ 170,000</u>

Note: Formerly known as Southeast Assets Development Company Co.

(2) Interest income

Type/Related party name	Year 2022	Year 2021
Subsidiary		
Dongni Construction Co. (Note)	<u>\$ 966</u>	<u>\$ 846</u>
Interest rate range	<u>0.975%~1.80%</u>	<u>0.975%~0.983%</u>

Note: Formerly known as Southeast Assets Development Company Co.

12. Loan from related party: None

13. Endorsement guarantee: None

14. Other

(1.) Various income

Type/Related party name	Year 2022	Year 2021
Associates	\$ 931	\$ 265
Other related party	660	549
Subsidiary	1,437	981
Total	\$ 3,028	\$ 1,795

(2.) Participation in seasonal stock offerings by related parties and increase in investment by the Company:

Year 2022:

Type/Related party name	Increase investment		Shareholding ratio	
	Number of shares (Thousand)	Amount	Prior to capital increase	After capital increase
Subsidiary				
Dongni Construction Co.	50,000	\$ 500,000	50.00%	50.00%
Da Yang Construction Co.	9,000	100,300	-	100.00%
Southeast Miller International Co.	5,000	50,000	-	50.00%

Year 2021:

Type/Related party name	Increase investment		Shareholding ratio	
	Number of shares (Thousand)	Amount	Prior to capital increase	After capital increase
Subsidiary				
Southeast Gaoliang Resources Recycling Co.	3,500	\$ 35,000	50.00%	50.00%

(3.) Part of the company's land is registered in the name of related party, details as follows:

Type of Related Party	Significant Transactions
Other related party	
Huang Meiyu	Wulin Section, Renwu District 0681 、 0733 、 0739 、 0741 、 0834-1 、 0835 、 0836 、 0839 、 0846 、 1347 、 1348 、 1350-1353 、 1355 、 1359 、 1365 、 1367 、 1381-1382 Land number 、 Green Park Section, Renwu District 112-114 、 180-182 Land number
Chen Jianhao	Wulin Section, Renwu District 0674 、 0676 、 0745 Land number

(4.) Significant contract conclusion: None

(IV) Compensation Information for Key Management

Item	Year 2022	Year 2021
Salary and other Short-term employee benefits	\$ 14,020	\$ 11,871
Post-employment benefits	392	327
Other Long-term employee benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
Total	<u>\$ 14,412</u>	<u>\$ 12,198</u>

VIII 、Pledged assets

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

Item	Dec. 31, 2022	Dec. 31, 2021
Investment property	<u>\$ 2,824,470</u>	<u>\$ 2,824,470</u>

Time deposit with performance guarantee provided, Billing as Deposit guarantee, please refer to Note 6 (14) as description.

IX 、Significant contingent liabilities and unrecognized contractual commitments

(I) As of December 31, 2022 and 2021, the details of the unused Letters of Credit issued by the company are as follows: None.

(II) As of December 31, 2022 and 2021, the amount of Deposit out Guarantee Notes and Deposit Guaranteed Notes received by the company due to loans and performance guarantees are as follows:

Item	Dec. 31, 2022	Dec. 31, 2021
Deposit out Guarantee Notes (Guaranteed Notes payable)	\$ 1,295,452	\$ 895,452
Deposit Guaranteed Notes (Guaranteed Notes receivable)	\$ 78,444	\$ 45,113

(III) The company passed the resolution of the board of directors on May 4, 2021 to bid for land and plant equipment from the Kaohsiung District Court in Taiwan. The bid was won on May 5, 2021, and the transfer of real estate title was completed on June 25, 2021, important event as description below:

1. Subject matter and area: The land area of 1081 Land number, Zhonglinzi Section, Xiaogang District, Kaohsiung City is 18,288 square meters, the building area on the ground is 14,892.42 square meters (including the basement) and ancillary Mechanical equipment Machinery and Equipment 4 sets.
2. Purpose: For future circular economy business expansion and related office space.
3. Total transaction amount: real estate (land and buildings) and movable property totaling 872,000 thousand yuan.

4. Transaction decision method: public auction by the court.
5. Reference basis for price decision: Refer to the real estate market in neighboring areas and the lowest auction price in the court.

(IV) Contracted and Significant capital expenditures not yet incurred:

Item	Dec. 31, 2022	Dec. 31, 2021
Property, plant, and equipment	\$ 58,452	\$ -

(V) On April 1, 2022, the Company's contractor, Jiong De Construction Co., Ltd., was dismantling an unused raw material storage facility when it collapsed in an unintended direction, crushing the Tai power tower and the high voltage power lines of the THSR, resulting in a short circuit of the high voltage power lines of the THSR and causing damage to the THSR and the THSR. In April 2022 and June 2022, the company received letters from the Taiwan Railway Administration of the Ministry of Communications and the Tainan City Government, claiming 7,489 thousand yuan and 2,410 thousand yuan from the company for the above incidents, the group has reached a consensus with the contractor - Jiongde Construction Co., Ltd., and Jiongde Construction Co., Ltd. is fully responsible for the compensation for the requests made by the Taiwan Railway Administration of the Ministry of Communications and the Tainan City Government according to law. The company will also urge Jiongde Construction Co., Ltd. to handle matters related to compensation claims as soon as possible; In addition, as of March 14, 2023, Jiongde Company has completed the above-mentioned payment of compensation to Taiwan Railways and the Tainan City Government. In addition, the company has not received notifications and requests for specific compensation amounts from the High-Speed Rail Company and other units.

X 、Significant catastrophic Loss: None.

XI 、Significant Post-term Events: None

XII 、Other

(I) Capital risk management

The Company must maintain sufficient capital to support the expansion and upgrade of its plant and equipment. Therefore, the company's capital management is to ensure that it has the necessary financial resources and operating plans to meet the needs of working capital and capital expenditures in the next 12 months.

(II) Financial instrument

1. Financial instrument's financial risk

Financial risk management policy

The daily operation of the Group is affected by various financial risks, including market risk (including exchange rate risk, interest rate risk and price risk), credit risk

and liquidity risk. In order to reduce related financial risks, the company is committed to identifying, assessing and avoiding market uncertainties, so as to reduce the potential adverse impact of market changes on the company's financial performance.

The company's important financial activities are reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the company must strictly abide by the relevant financial operating procedures regarding overall financial risk management and division of powers and responsibilities.

Nature and extent of significant financial risks

(1) Market risk

A. Exchange rate risk

(A) The Company is exposed to exchange rate risk arising from sales, purchases and borrowing transactions that are not denominated in the Company's functional currency. The functional currency of the Company is New Taiwan dollars. These transactions are mainly denominated in USD and RMB. In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, the company uses foreign currency deposits to avoid exchange rate risks. The use of such foreign currency deposits can help the company reduce but still cannot completely eliminate the impact of foreign currency exchange rate changes.

(B) Exchange rate risk and Sensitivity analysis

December 31, 2022						
	Foreign currency	Exchange rate	Carrying amount (NTD)	Sensitivity analysis		
				Change range	Gain and loss impact	Equity impact
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	6,318	30.71	194,047	Appreciation 1%	1,940	-

December 31, 2011						
	Foreign currency	Exchange rate	Carrying amount (NTD)	Sensitivity analysis		
				Change range	Gain and loss impact	Equity impact
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	6,530	27.68	180,745	Appreciation 1%	1,807	-

If the currency value of New Taiwan Dollar is relative to the above-mentioned currency Appreciation, if all other change factors remain unchanged, the amount reflected in the above-mentioned currency in 2022 and Dec. 31, 2021 will have an equal but opposite impact.

(C) The company's Monetary items have significant influence due to exchange rate fluctuations. The total exchange gains and losses (including realized and unrealized) recognized in 2022 and Year 2021 are 17,282 thousand yuan and (3,730) thousand yuan respectively.

B. Price risks

Since the Company holds investments in equity instruments, the Company is exposed to the price risk of equity instruments. The company's equity instrument invested in the individual balance sheet is classified as profit and loss Financial assets measured by Fair value and Financial assets measured at fair value through other comprehensive income.

The company mainly invests in the equity instruments of domestic listed cabinets and domestic Unlisted OTC. The prices of these equity instruments will be affected by the uncertainty of the future value of the investment target.

If the equity price increases or decreases by 1%, Year 2022 and 2021 after-tax profit and loss will increase or decrease by 300 thousand yuan and 584 thousand yuan respectively due to the increase or decrease in the Fair value of financial assets measured by Fair value through profit and loss. The year 2022 and 2021 after-tax Other comprehensive income will increase or decrease by 10,184 thousand yuan and 10,388 thousand yuan respectively due to the increase or decrease in the Fair value of financial assets measured at fair value through other comprehensive income.

C. Interest rate risks

Financial assets and financial debts carrying amount of the company were exposed to the interest rate risk on the reporting date as below:

Item	Carrying amount	
	Dec. 31, 2022	Dec. 31, 2021
Fair value interest rate risk:		
Financial assets	\$ 180,072	\$ 465,629
Financial debts	(2,271,103)	(1,432,884)
Net amount	\$ (2,091,031)	\$ (967,255)
Interest rate risks with cash flow:		
Financial assets	\$ 117,419	\$ 61,521
Financial debts	-	-
Net amount	\$ 117,419	\$ 61,521

Sensitivity analysis of Fair value interest rate risk

The company does not classify any fixed-rate Financial assets and liabilities as measured at fair value through other comprehensive income, and Financial assets measured at fair value through other comprehensive income, and the Derivatives (interest rate swaps) are also not designated as hedging tools under the Fair value hedging accounting model. Therefore, changes in interest rates on the reporting date will not affect profit or loss and other comprehensive net income.

Sensitivity analysis of Interest rate risks with cash flow

The company's financial instrument with a variable interest rate is an asset (debt) with a floating interest rate. Therefore, changes in market interest rates will cause the effective interest rate to change accordingly, resulting in fluctuations in future cash flows. Every 1% decrease (increase) in the market interest rate will increase (decrease) the net profit in Year 2022 and 2021 by 1,174 thousand yuan and 615 thousand yuan respectively.

(2) Credit Risk

Credit risk refers to the risk that the counterparty of the transaction violates the contractual obligations and causes financial losses to the company. The company's credit risk mainly comes from Receivables generated by operating activities, and Bank savings and other Financial Instrument arising from investment activities. Operational credit risk and financial credit risk are managed separately.

Operating-related Credit Risk

In order to maintain the quality of Accounts receivable, the company has established procedures for credit risk management related to operations.

The risk assessment of an individual customer is based on consideration of the customer's financial situation, the company's internal credit rating, historical transaction records and current economic conditions may affect the evaluation of customers' payment ability.

Financial Credit Risk

The credit risk of Bank savings and other financial instruments is measured and monitored by the financial department of the company. The Company's trading objects, and performance counterparties are all creditworthy banks, financial institutions with investment grade or above, corporate organizations and government agencies, corporate organizations and government agencies. There is no significant credit risk because there is no significant doubt about the performance of the contracts. In addition, the company is not classified as Investments in debt instruments measured at fair value through Other comprehensive income according to Amortized cost and classified as Investments in debt instruments measured at fair value through Other comprehensive income.

A. Concentrated credit risk

As of December 31, 2022 and 2021, the Accounts receivable balance of the top ten customers accounted for 90.94% and 81.18% of the company's Accounts receivable balance respectively, with Concentrated credit risk, the credit concentration risk of the remaining Accounts Receivable is relatively insignificant.

B. Measurement of expected credit impairment loss

(a) Accounts receivable: Simplified method used, please refer to Note 6 (4) as description

(b) The basis for determining whether there is a significant increase in credit risk: None (The company is not classified as Measured by post-amortized cost and classified as Investments in debt instruments measured at fair value through Other comprehensive income)

C. Holding Collateral and other credit increases to avoid the credit risk of financial assets:

The financial impact of the financial assets recognized in the individual balance sheet and the Collateral, Total delivery contract Net amount and other credit enhancement held by the company as guarantee on the maximum amount of credit risk exposure is shown in the following table:

Dec. 31, 2022	Carrying amount	Credit risk maximum exposure reduction amount			
		Collateral	Total delivery contract Net amount	Other credit enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit-impaired	\$ -	\$ -	\$ -	\$ -	\$ -
Not applicable IFRS 9 impaired financial instruments:					
Financial assets at fair value through gain or loss	30,032	-	-	-	-
Financial assets measured at fair value through Other comprehensive income	1,018,400	-	-	-	-
Total	\$ 1,048,432	\$ -	\$ -	\$ -	\$ -

Dec. 31, 2021	Carrying amount	Credit risk maximum exposure reduction amount			
		Collateral	Total delivery contract Net amount	Other credit enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit-impaired	\$ -	\$ -	\$ -	\$ -	\$ -
Not applicable IFRS 9 impaired financial instruments:					
Financial assets at fair value through gain or loss	58,430	-	-	-	-
Financial assets measured at fair value through Other comprehensive income	1,038,766	-	-	-	-
Total	\$ 1,097,196	\$ -	\$ -	\$ -	\$ -

(3) Liquidity Risk

A. Liquidity risk management

The goal of the company's liquidity risk management is to maintain cash and cash equivalents, highly liquid marketable securities and sufficient bank financing facilities required for operations, so as to ensure that the company has sufficient financial flexibility.

B. Financial debts maturity analysis

The following table summarizes the financial debts analysis of the company's agreed repayment period according to the due date and undiscounted due amount:

Non-derivative Financial debts	Dec. 31, 2022						Carrying amount
	Within 6 month	7-12 month	1-2 year	2-5 year	over 5 year	contract cash flow	
Short-term loans	\$1,530,000	\$ -	\$ -	\$ -	\$ -	\$ 1,530,000	\$ 1,530,000
Short-term notes payable	260,000	-	-	-	-	260,000	259,968
Accounts payable	212,855	-	-	-	-	212,855	212,855
Other payables	52,202	9,594	-	-	-	61,796	61,796
Lease liabilities	29,121	35,716	45,329	96,329	305,783	512,278	481,135
Deposit guarantee	6,391	-	2,500	1,502	25,435	35,828	35,828
Total	<u>\$2,090,569</u>	<u>\$ 45,310</u>	<u>\$ 47,829</u>	<u>\$ 97,831</u>	<u>\$ 331,218</u>	<u>\$ 2,612,757</u>	<u>\$ 2,581,582</u>

Further information on lease liability maturity analysis as below:

Lease liability	Less than 1 year	1-5 year	5-10 year	10-15 year	Total undiscounted lease payments
	<u>\$ 64,837</u>	<u>\$ 141,658</u>	<u>\$ 113,868</u>	<u>\$ 191,915</u>	<u>\$ 512,278</u>

Non-derivative Financial debts	Dec. 31, 2021						Carrying amount
	Within 6 month	7-12 month	1-2 year	2-5 year	over 5 year	contract cash flow	
Short-term loans	\$1,240,000	\$ -	\$ -	\$ -	\$ -	\$ 1,240,000	\$ 1,240,000
Short-term notes payable	40,000	-	-	-	-	40,000	39,991
Accounts payable	160,671	-	-	-	-	160,671	160,671
Other payables	50,103	8,157	-	-	-	58,260	58,260
Lease liabilities	24,622	26,709	43,305	52,749	8,761	156,146	152,893
Deposit guarantee	6,534	44	1,340	3,354	12,685	23,957	23,957
Total	<u>\$1,521,930</u>	<u>\$ 34,910</u>	<u>\$ 44,645</u>	<u>\$ 56,103</u>	<u>\$ 21,446</u>	<u>\$ 1,679,034</u>	<u>\$ 1,675,772</u>

Further information on lease liability maturity analysis as below:

	Less than 1 year	1-5 year	5-10 year	10-15 year	Total undiscounted lease payments
Lease liability	\$ 51,331	\$ 96,054	\$ 7,301	\$ 1,460	\$ 156,146

The Company does not expect the point of occurrence of cash flows for the maturity analysis to be significantly earlier or the actual amounts to be significantly different.

2.Type of financial instrument

	Dec. 31, 2022	Dec. 31, 2021
<u>Financial assets</u>		
Financial assets Measured by post-amortized cost		
Cash and cash equivalents	\$ 121,474	\$ 334,709
Notes and accounts receivable (Including related parties)	371,879	307,956
Other receivables (Including related parties)	32,608	32,117
Other financial assets – Current	164,540	161,625
Deposit guarantee	14,834	9,209
Other Non-current assets	-	1,415
Financial assets at fair value through gain or loss - Current	30,032	58,430
Financial assets measured at fair value through Other comprehensive income — Non-current	1,018,400	1,038,766
Financial debts		
<u>Financial debts measured by post-amortized cost</u>		
Short-term loan	1,530,000	1,240,000
Short-term notes payable	259,968	39,991
Notes and accounts payable (Including related parties)	212,855	160,671
Other payables	61,796	58,260
Lease liability (Including within 1 year)	481,135	152,893
Deposit guarantee	35,828	23,957

(III) Fair value data:

1. Fair value data of the Company's financial assets and financial debts that are not measured at fair value are described in Note 12(3) 3. Fair value data of the Company's investment property measured at cost are described in Note 6(13).

2. 3-level Fair value definition

1st Level:

The input value of this level refers to the open quotation of the same instrument in the active market of the instrument in the active market. An active market refers to a market that meets all of the following conditions: the commodities traded in the

market are homogeneous; willing buyers and sellers can be found in the market at any time and price information is available to the public. The value of the beneficiary certificates invested by the company with public quotes in an active market belong to this category.

2nd Level:

The input values of this level include observable input values obtained directly (such as prices) or indirectly (such as deriving from prices) from active markets, other than publicly quoted prices in active markets.

3rd Level:

The input value of this level refers to the input parameter for measuring Fair value that is not based on the observable input value available in the market.

3. Financial instruments not measured at fair value:

The company's financial instruments that are not measured by Fair value, such as Cash and cash equivalents, Notes and accounts receivable, Other financial assets, Deposit guarantee, Other non-current assets-other, Short-term loan, Short-term notes payable, Payables, Lease liability (Including Current and Non-current) and the Carrying amount of Deposit guarantee is a reasonable approximation of Fair value.

4. Fair value level data:

The Company's financial instruments measured at fair value are all based on the fair value that is based on repeatability. Fair value level data is shown in the table below:

Item	Dec. 31, 2022			
	1st Level	2nd Level	3rd Level	Total
Assets:				
<u>Repetitive fair value</u>				
Financial assets at fair value through gain or loss				
Open-end fund	\$ 13,394	\$ -	\$ -	\$ 13,394
Bonds	16,638	-	-	16,638
Financial assets measured at fair value through other comprehensive income				
Domestic listed stocks	868,897	-	-	868,897
Domestic unlisted stocks	-	-	149,503	149,503
Total	<u>\$ 898,929</u>	<u>\$ -</u>	<u>\$ 149,503</u>	<u>\$ 1,048,432</u>

Item	Dec. 31, 2021			
	1st Level	2nd Level	3rd Level	Total
Assets:				
<u>Repetitive fair value</u>				
Financial assets at fair value through gain or loss				
Open-end fund	\$ 24,360	\$ -	\$ -	\$ 24,360
Bonds	34,070	-	-	34,070
Financial assets measured at fair value through other comprehensive income				

Item	1st Level	2nd Level	3rd Level	Total
Domestic listed stocks	903,535	-	-	903,535
Domestic unlisted stocks	-	-	135,231	135,231
Total	\$ 961,965	\$ -	\$ 135,231	\$ 1,097,196

5. Fair value evaluation technique of tools measured by Fair value:

- (1) If there is a public quote in an active market for the financial instrument, the public quotes in the active market shall be taken as the Fair value. The market price announced by the major exchanges and the central government Bonds OTC trading centers judged to be popular bonds are the basis of the fair value of listed (counter) equity instruments and debt instruments with open quotations in active markets.

If timely and frequent public quotes from exchanges, brokers, underwriters, industry associations, pricing service agencies or the Acquire Financial Instrument of the competent authority, and if the price represents an actual and frequently occurring fair market transaction, then the financial instrument has a public quote in an active market. If the above conditions are not met, the market is considered inactive. In general, a large bid-ask spread, a significant increase in the bid-ask spread, or low trading volume are all indicators of an inactive market.

The financial instruments held by the company belong to those with an active market, and their Fair value is listed as follows by category and attribute:

A. Listed Company Stocks: Closing Prices

B. Open-end fund: Net value

- (2) Except for financial instruments with an active market, the fair value of other financial instruments is obtained by evaluation technique or by referring to the quotation of the counterparty. The Fair value obtained through the Evaluation technique can refer to the current Fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method or other Evaluation techniques, including what is available on the balance sheet date of the market data usage model to be calculated.

The fair value of unlisted OTC stocks held by the Company without an active market is determined by market law and asset law, with reference to the evaluation of similar companies, third-party quotes, net worth, and operating conditions. The Significant unobservable input value used for Fair value measurement is shown in the table below:

Dec. 31, 2022:

Item	Evaluation technique	Significant unobservable input value	Range	Input value and fair value relationship
Financial assets measured at fair value through other comprehensive income-Stocks	Asset law	1.Lack of control discount rate	18.17%	Higher control discount, Lower fair value estimate
		2.Lack of liquidity discount rate	24.82%	Higher liquidity discount, Lower fair value estimate
Financial assets measured at fair value through other comprehensive income-Stocks	Market law	Lack of liquidity discount rate	17.06%~32.27%	Higher liquidity discount, Lower fair value estimate
				Lower fair value estimate

Item	Evaluation technique	Significant unobservable input value	Range	Input value and fair value relationship
Financial assets measured at fair value through other comprehensive income-Stocks	Asset law	1.Lack of control discount rate	13.34%~16.74%	Higher control discount, Lower fair value estimate
		2.Lack of liquidity discount rate	23.42%~32.28%	Higher liquidity discount, Lower fair value estimate
Financial assets measured at fair value through other comprehensive income-Stocks	Market law	Lack of liquidity discount rate	16.93%~32.27%	Higher liquidity discount, Lower fair value estimate
				Lower fair value estimate

6. Move between 1st Level and 2nd Level: None

7. 3rd Level changes list:

Item	Financial assets measured at fair value through Other comprehensive income - Unlisted OTC stocks	Item	Financial assets measured at fair value through Other comprehensive income - Unlisted OTC stocks
Jan. 1, 2022	\$ 135,231	Jan. 1, 2021	\$ 92,170
Additional purchases this period	-	Additional purchases this period	15,473
Current capital reduction refund of share	-	Current capital reduction refund of share	(1,478)
Disposal this period	(542)	Disposal this period	-
Recognized Other comprehensive income	14,814	Recognized Other comprehensive income	29,066
Dec. 31, 2022	<u>\$ 149,503</u>	Dec. 31, 2021	<u>\$ 135,231</u>

8. Fair value is classified into the evaluation process of 3rd Level:

For Fair value is classified into the evaluation process of 3rd Level, the company uses independent source data to make the evaluation results close to the market status, and regularly reviews to ensure that the evaluation results are reasonable.

(IV) Financial assets transfer: None

(V) Financial assets and financial debts offset: None

XIII 、Notes Disclosures

(I) Major transaction information:

1. Funds Loan to Others: Table-1

2. Other Endorsement guarantee: Table-2

3. Securities holders at the end of the period: Table-3

4. The cumulative amount of purchases or sales of the same securities reaches NT\$300 million or 20% of the paid-in capital: None

5. Acquisition of real estate amounting to at least NT\$300 million or 20 percent of the paid-in capital: Table-4

6. Disposal of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.

7. The amount of purchase or sale of goods with related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5 (attached).

8. Receivables from related parties amounting to NT\$100 million or more than 20% of the paid-in capital: None

9. Engaged in derivative transactions: None

(II) Joint venture business information: Table-6

(III) Mainland investment information: Not applicable

(IV) Major shareholder information: Table-7

Table-1

Southeast Cement Corp., Ltd.

Details of Funds Loan to Others

Dec. 31, 2022

Unit: NT\$ Thousand

No.	Loan to others' company name	Loan object	Dealing item	Related party or not	The period max. balance	Ending balance	Actual spend amount	Interest rate range	Loan and nature	Business transaction amount	Reasons for short-term financing	Bad debts provision	Collateral		Loan and fund limit for individual object	Loan and maximum limit
													Name	Value		
0	Southeast Cement Corp., Ltd.	Dongni Construction Co., Ltd. (Note 4)	Other receivables—Related party	Yes	400,000	-	-	0.975%	2	-	Operating turnover	-	-	-	431,585 (Note 1)	863,171 (Note 2)

Note 1: Fund loan and limit for individual objects:

(1) Those who have business dealings with the company:

The loan amount shall not exceed the limit of the business transaction amount between the enterprise and the company in the most recent year (the so-called business transaction amount refers to the total amount of purchase, sale and provision of labor services between the two parties) and shall not exceed 5% of the company's current net value.

(2) Those who need short-term financing with the company:

It is limited to no more than 5% of the company's current net value.

Note 2: Capital loan and maximum limit:

(1) Those who have business dealings with the company:

It should not exceed 10% of the net value of the current period.

(2) Those who need short-term financing with the company:

It should not exceed 10% of the net value of the current period.

Note 3: The filling method of capital loan and nature is as follows:

(1) Fill in 1 for those who have business contacts.

(2) If there is a need for short-term financing, fill in 2.

Note 4: Formerly known as Southeast Assets Development Company.

Table-2

Southeast Cement Corp., Ltd.

Endorsement guarantees for others

Dec. 31, 2022

Unit: NT\$ Thousand

No.	Endorsement guarantee's company name	Endorsement guaranteed object		Single enterprise endorsement guarantee limit	The period max. endorsement guarantee balance	End-term endorsement guarantee balance	Actual spend amount	Property endorsement guarantee amount	Cumulated ratio endorsement guarantee amount to net-value of recent financial statement	Endorsement guarantee max. limit	Parent-to- subsidiary endorsement guarantee	Subsidiary- to-parent endorsement guarantee	Endorsement guarantee - Mainland China area
		Company name	Relation (Note 1)										
1	Southeast Investment Co.	Southeast Cement Corp., Ltd.	3	187,738 (Note 2)	704	704	-	-	0.11%	250,318 (Note 3)	-	Y	-

(Note 1): There are seven types of relationships between the endorsement guarantor and the subject of the endorsement guarantee, as follows:

1. Companies with business relationship.
2. A company in which the company directly or indirectly holds more than 50% of the voting shares.
3. Companies that directly and indirectly hold more than 50% of the company's voting shares.
4. Between companies in which the company directly and indirectly holds more than 90% of the voting shares.
5. Based on the needs of contracting projects, companies in the same industry or co-constructors are mutually insured according to the contract.
6. A company that has an endorsement guarantee from all contributing shareholders in proportion to their shareholding due to joint investment.
7. Inter-industry companies that are engaged in the performance guarantee of pre-sale house contracts in accordance with the Consumer Protection Act.

(Note 2): Not to exceed 30% of the net value of the subsidiary's most recent audited or reviewed financial statements.

(Note 3): Not to exceed 40% of the net value of the subsidiary's most recent audited or reviewed financial statements.

Table-3

Southeast Cement Corp., Ltd.

Ending-List of Marketable Securities

Dec. 31, 2022

Unit: Thousand shares ; NT\$ Thousand

Companies held	Securities type and name	Relation with securities issuers	Billing Subject	Period-ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
Southeast Cement Corp., Ltd.	Stocks – Domestic building materials industry	None	Financial assets measured at fair value through other comprehensive income	3,432	86,665	0.29	86,665	
	Stocks - Zhonglian Resources	Company is that Company corporate director	Financial assets measured at fair value through other comprehensive income	13,084	601,855	5.26	601,855	
	Stocks - Chunghwa Telecom	None	Financial assets measured at fair value through other comprehensive income	360	40,680	-	40,680	
	Stocks – Taiwan Cement	None	Financial assets measured at fair value through other comprehensive income	1,044	35,134	-	35,134	
	Stocks – Yuan Tai Gold	None	Financial assets measured at fair value through other comprehensive income	563	12,226	-	12,226	
	Stocks – Crystal Technology	None	Financial assets measured at fair value through other comprehensive income	80	6,616	-	6,616	
	Stocks – Nandi	None	Financial assets measured at fair value through other comprehensive income	1	13	-	13	
	Stocks – China Steel	None	Financial assets measured at fair value through other comprehensive income	600	17,880	-	17,880	
	Stocks – Hongquan	None	Financial assets measured at fair value through other comprehensive income	202	17,569	-	17,569	

Companies held	Securities type and name	Relation with securities issuers	Billing Subject	Period-ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
	Stocks – China Rubber International	None	Financial assets measured at fair value through other comprehensive income	354	6,890	-	6,890	
	Stocks - Emerging Shipping	None	Financial assets measured at fair value through other comprehensive income	190	3,791	-	3,791	
	Stocks – Fubon Financial Holdings	None	Financial assets measured at fair value through other comprehensive income	485	27,318	-	27,318	
	Stocks-Yongyu	None	Financial assets measured at fair value through other comprehensive income	52	1,710	0	1,710	
	Stocks-China Carbon Corp.	None	Financial assets measured at fair value through other comprehensive income	100	10,550	0	10,550	
	Stocks-Kaohsiung MRT	None	Financial assets measured at fair value through other comprehensive income	11,117	89,371	3.99	89,371	
	Stocks-Yuhua Venture Capital	Company is that Company corporate director	Financial assets measured at fair value through other comprehensive income	20	272	5.00	272	
	Stocks-Chinese goods	None	Financial assets measured at fair value through other comprehensive income	15	1,377	3.84	1,377	
	Stocks-Huanmeng International	Company is that Company corporate director	Financial assets measured at fair value through other comprehensive income	2,333	41,824	16.67	41,824	
	Stocks-One-Card	Company is that Company corporate director	Financial assets measured at fair value through other comprehensive income	3,828	16,659	3.36	16,659	
		Total			1,018,400		1,018,400	
	Funds – Prudential Financial	None	Financial assets at fair value through gain or loss	50	13,394	-	13,394	

Companies held	Securities type and name	Relation with securities issuers	Billing Subject	Period-ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
	Bonds – Boeing Co.	None	Financial assets at fair value through gain or loss	500	10,831	-	10,831	
	Bonds – Pfizer	None	Financial assets at fair value through gain or loss	200	5,807	-	5,807	
		Total			30,032		30,032	
Dongni Construction Co., Ltd.	Funds - Risheng Currency	None	Financial assets at fair value through gain or loss	6,637	100,020	-	100,020	
	Funds – Mega Diamond Currency	None	Financial assets at fair value through gain or loss	7,847	100,020	-	100,020	
	Funds - Qunyi Stable Currency	None	Financial assets at fair value through gain or loss	6,104	100,020	-	100,020	
		Total			300,060		300,060	
Southeast Investment Co.	Stocks – Chint Cement Plant	Chairman of Board is Chairman of the Company	Financial assets measured at fair value through other comprehensive income	2,383	137,163	13.86	137,163	
	Stocks – Taiwan Concrete	Chairman of Board is Chairman of the Company- Biparental relative	Financial assets measured at fair value through other comprehensive income	1	41,460	4.21	41,460	
	Stocks – Taiwan Implant Technology	None	Financial assets measured at fair value through other comprehensive income	701	3,514	4.20	3,514	
	Stocks – Dushanlin Development	None	Financial assets measured at fair value through other comprehensive income	3,840	33,292	-	33,292	
		Total			215,429		215,429	
	Funds – Cathay Pacific II	None	Financial assets at fair value through gain or loss	500	8,900	-	8,900	
	Stocks – Fubon Financial Holdings	None	Financial assets at fair value through gain or loss	139	7,803	-	7,803	
	Stocks – Taiwan	None	Financial assets at fair value through	17	1,222	-	1,222	

Companies held	Securities type and name	Relation with securities issuers	Billing Subject	Period-ending				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
	Chemical Fiber		gain or loss					
	Stocks – ZTE Security	None	Financial assets at fair value through gain or loss	292	29,232	-	29,232	
	Stocks – Taiwan Cement	None	Financial assets at fair value through gain or loss	2,926	98,464	-	98,464	
	Stocks - Zhonglian Capital	None	Financial assets at fair value through gain or loss	30	1,394	-	1,394	
	Stocks – Mega Financial Holdings	None	Financial assets at fair value through gain or loss	205	6,222	-	6,222	
		Total			153,237		153,237	
Southeast Paper Manufacturing Co.	Stocks – Southeast Cement	Parent company of the company	Financial assets measured at fair value through other comprehensive income	2,113	39,511	0.37	39,511	Note
Southeast Miller International Co.	Funds – Fubon auspicious currency	None	Financial assets at fair value through gain or loss	4,663	74,186	-	74,186	

Note: The stocks of the parent company held by the above-mentioned invested companies have been transferred to treasury stocks according to the Shareholding ratio.

Table-4

Southeast Cement Corp., Ltd.

Acquisition of real estate amounting to at least NT\$300 million or 20 percent of the paid-in capital

Jan. 1 to Dec. 31, 2022

Unit: NT\$ Thousand

Company acquiring real estate	Name of Property	Date of Issue	Amount of transaction	Payment situation	Counterparty	Relationship	Trading object is a related party, its previous transfer data				Reference basis for price decision	Acquisition purpose and use	Other agreed matters
							Holder	Relationship with Issuer	Transfer date	Amount			
Southeast Miller International Co.	Right-of-use assets-Land No. 3, Section 4, Economic and Trade Section, Qianzhen District, Kaohsiung City	2022.5.12	2,623,951	Note 2	Southeast Cement Corp., Ltd.	Subsidiary	Note 2	Note 2	Note 2	Note 2	Refer to appraisal report of professional institution and negotiated by both parties	For shopping malls	Note 1

(Note 1): Subsidiary leases the land from the parent company for future for shopping malls. The contract restrictions and other important agreements are as follows:

1. The lease term is 30 years, and the rental is paid monthly (the total monthly rental is NT\$8,065 thousand yuan, which will be increased by 3% every 3 years).
2. When the 30-year lease expires, if it continues to be used as the existing for shopping malls, the lessee will be given a 10-year priority lease right.
3. When the lease term expires or the lease contract is terminated midway, the lessee must dismantle the above-ground objects or transfer the above-ground objects to the lessor free of charge in accordance with the instructions of the lessor.

(Note 2): Right-of-use assets under lease, so Not applicable.

Table-5

Southeast Cement Corp., Ltd.

Details of purchases and sales with related parties amounting to NT\$100 million or more than 20% of the paid-in capital

Jan. 1 to Dec. 31, 2022

Unit: NT\$ Thousand

Purchases (sales) company	Trading object	Relation	Transaction situation				Situations and reasons why transaction conditions different from general transactions		Notes receivable (payment), accounts		Remarks
			Purchases (sales)	Amount	Purchases (sales) Ratio	Credit period	Unit price	Credit period	Balance	Ratio of total notes receivable (payment) and accounts	
Southeast Cement Corp., Ltd.	Tiancheng concrete industrial Co., Ltd.	Other related party	Sales	167,232	9.83%	About 2-3 months	-	Equivalent	Accounts receivable 30,852	8.30%	

Table-6

Southeast Cement Corp., Ltd.

Joint Venture Business List

Dec. 31, 2022

Unit: Thousand shares ; NT\$ Thousand

Investment company name	Invested company name	Location	Main business items	Original investment amount		End period holding			Invested company Current gain and Loss	Current recognized investment gain and loss	Remarks
				Current period end	Last year-end	No. of shares	Ratio	Carrying amount			
Southeast Cement Corp., Ltd.	Southeast Investment	Kaohsiung City	Stock investment	297,870	297,870	499	99.29	608,461	(20,504)	(20,358)	
	Southeast Industrial Construction	Kaohsiung City	Construction industry	11,361	11,361	36	31.01	72,759	2,392	742	
	Southeast Paper	Kaohsiung City	Cement paper bags	4,971	4,971	5	49.71	22,761	28	14	
	Nanxia Wood Industry	Kaohsiung City	Woodwork	8,540	8,540	1	27.56	11,951	1,742	480	
	Dongni Construction (Note 1)	Kaohsiung City	Construction industry	790,000	290,000	79,000	100.00	786,536	(7,372)	(7,372)	
	Taiwan machine shipyard	Kaohsiung City	Engineering	328,492	328,492	25,611	31.01	319,365	(8,005)	(2,483)	
	Southeast Gaoliang	Kaohsiung City	Waste removal	85,000	85,000	8,500	50.00	68,635	(9,029)	(4,515)	
	Southeast Miller	Kaohsiung City	Real estate leasing industry	50,000	-	5,000	50.00	18,892	(74,209)	(31,108)	
	Dayang Construction	Kaohsiung City	Construction industry	100,300	-	9,000	100.00	100,807	(722)	1,209	
	Subtotal								2,010,167	(40,748)	(63,391)
	Minus: Shares of parent company held by subsidiary rearrange as treasury stock								(12,185)		
	Total								1,997,982	(40,748)	(63,391)

Investment company name	Invested company name	Location	Main business items	Original investment amount		End period holding			Invested company Current gain and Loss	Current recognized investment gain and loss	Remarks
				Current period end	Last year-end	No. of shares	Ratio	Carrying amount			
Southeast Investment Co.	Penghu Cable TV	Penghu County	Cable TV	51,093	51,093	8,000	40.00	135,684	25,558	10,223	
	Penghu Bay	Penghu County	Beaches	60,347	60,347	1,663	38.68	16,610	95	37	
	Southeast Industrial Construction	Kaohsiung City	Construction industry	29,381	29,381	12	10.92	30,251	2,392	258	
	Taiwan machine shipyard	Kaohsiung City	Engineering	5,826	5,826	454	0.55	5,855	(8,005)	10	
	Southeast Gaoliang	Kaohsiung City	Waste removal	1,700	1,700	170	1.00	1,373	(9,029)	(90)	
	Southeast Miller	Kaohsiung City	Real estate leasing industry	1,000	-	100	1.00	258	(74,209)	(742)	
	Total							190,031	(63,198)	9,696	

Note 1: Formerly known as Southeast Asset Development Co., Ltd.

Table-7

Southeast Cement Corp., Ltd.

Major shareholder information

Dec. 31, 2022

Major shareholder name	Holding No. of shares	Shareholding ratio
Dongshu Investment 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 Educational Foundation	38,829,350	6.79%
Baifu Investment Co., Ltd.	36,008,148	6.30%
Southeast Cultural Foundation	33,421,803	5.84%
Chen Yueling	28,615,760	5.00%

Note: The Major shareholder information in this table is calculated by CHEP on the last business day at the end of each quarter, and the general shares held by shareholders who have completed delivery without entity registration (including treasury shares)

General shares and special shares totaling more than 5% of the information. As for the share capital recorded in the company's financial report and the company's actual number of shares that have been delivered without physical registration, there may be differences or differences due to the different calculation bases.

XIV 、Department Information

The company has disclosed departmental information in the consolidated financial report, so it will no longer be disclosed in the individual financial report.

VI. The impact on the Company's financial status of any financial turnover difficulties of the Company and its affiliates: None

Seven. Review and Analysis of Financial Status and Financial Performance and Risk Management

I. Comparative Analysis of Financial Status

1. Consolidated Financial Situation

Unit: NT\$ thousand

Year Item	Year 2021	Year 2022	Difference	
			Amount	%
Liquid asset	2,053,373	2,486,102	432,729	21.07
Non-liquid asset	8,905,127	9,503,587	598,460	6.72
Total assets	10,958,500	11,989,689	1,031,189	9.41
Liquid liabilities	1,683,431	2,381,025	697,594	41.44
Non-current liabilities	564,360	881,996	317,636	56.28
Total liabilities	2,247,791	3,263,021	1,015,230	45.17
Share capital	5,720,008	5,720,008	0	0.00
Capital reserve	188,373	188,583	210	0.11
Retained earnings	2,176,233	2,211,351	35,118	1.61
Other equity	551,296	523,949	(27,347)	(4.96)
Treasury stocks	(12,185)	(12,185)	0	0.00
Total equity	8,710,709	8,726,668	15,959	0.18

Explanation on the change of increase or decrease ratio: (if the change reaches more than 20%)

- (1) Liquid asset increase: Mainly due to Financial assets at fair value through profit or loss - Liquid and inventory increase.
- (2) Liquid liabilities increase: Mainly due to increase in short-term borrowings and short-term notes payable.
- (3) Non-current liabilities increase: Mainly due to lease obligations - Non-current increase.
- (4) Total liabilities increase ditto to (2) (3).

2. Individual Financial Situation

Unit: NT\$ thousand

Year Item	Year 2021	Year 2022	Difference	
			Amount	%
Liquid asset	1,421,869	1,268,230	(153,639)	(10.81)
Non-liquid asset	9,191,792	10,244,752	1,052,960	11.46
Total assets	10,613,661	11,512,982	899,321	8.47
Liquid liabilities	1,579,136	2,146,610	567,474	35.94
Non-current liabilities	410,800	734,666	323,866	78.84
Total liabilities	1,989,936	2,881,276	891,340	44.79
Share capital	5,720,008	5,720,008	0	0
Capital reserve	188,373	188,583	210	0.11
Retained earnings	2,176,233	2,211,351	35,118	1.61
Other equity	551,296	523,949	(27,347)	(4.96)
Treasury stocks	(12,185)	(12,185)	0	0
Total equity	8,623,725	8,631,706	7,981	0.09
Explanation on the change of increase or decrease ratio: (Change of 20% or more) Same as the Consolidated financial situation.				

II. Financial performance comparative analysis

1. Consolidated financial analysis

Unit: NT\$ thousand

Year Item	Year 2021	Year 2022	Increase (decrease) amount	Change ratio %
Net operating revenue	1,846,785	1,794,015	(52,770)	(2.86)
Operating costs	1,712,217	1,672,736	(39,481)	(2.31)
Gross profit	134,568	121,279	(13,289)	(9.88)
Operating expenses	122,514	152,778	30,264	24.70
Operating profit	12,054	(31,499)	(43,553)	(361.32)
Non-operating income and expenses	137,074	141,176	4,102	2.99
Pre-tax net profit	149,128	109,677	(39,451)	(26.45)
Income tax expense (Benefits)	15,317	1,553	(13,764)	(89.86)
Net profit for the period	133,811	108,124	(25,687)	(19.20)
Other comprehensive income (net)	51,015	(26,916)	(77,931)	(152.76)
Total consolidated profit or loss for the period	184,826	81,208	(103,618)	(56.06)
Explanation on the change of increase or decrease ratio: (Change of 20% or more)				
(1) Operating expenses increase: Mainly due to the Company's depreciation expense increase and increase in sales and management expenses of Subsidiary Southeast Gaoliang Resource Recycle Co.				
(2) Operating profit decrease: ditto to (1).				
(3) Pre-tax net profit decrease: ditto to (1).				
(4) Income tax expense decrease: Mainly due to the decrease in the number of deferred income tax changes in 2022.				
(5) Decrease in other comprehensive profit or loss: Mainly due to decrease in unrealized appraisal profits and losses due to decrease in share price of equity instrument investments measured at fair value through other comprehensive gains and losses.				
(6) Decrease in total comprehensive profit and loss for the period: ditto to (1), (4) and (5).				

2. Individual Financial Analysis

Unit: NT\$ thousand

Item \ Year	Year 2021	Year 2022	Increase (decrease) amount	Change ratio %
Net operating revenue	1,580,865	1,701,471	120,606	7.63
Operating costs	1,475,177	1,535,269	60,092	4.07
Operating profit	105,688	166,202	60,514	57.26
Operating expenses	85,659	114,504	28,845	33.67
Operating profit	20,029	51,698	31,669	158.12
Non-operating income and expenses	134,961	98,597	(36,364)	(26.94)
Pre-tax net profit	154,990	150,295	(4,695)	(3.03)
Income tax expense	15,005	1,252	(13,753)	(152.66)
Net profit for the period	139,985	149,043	9,058	(91.66)
Other comprehensive income (net)	51,025	(26,872)	(77,897)	6.47
Total consolidated profit or loss for the period	191,010	122,171	(68,839)	(36.04)
Explanation on the change of increase or decrease ratio: (Change of 20% or more) (1) Operating profit increase: Mainly due to Leasing income increase. (2) Non-operating income and expenses decrease: Mainly due to share loss of Subsidiary recognized by equity method, affiliated Associates, and joint venture profits and losses increase. The others same as Consolidated Financial Analysis.				

III. Cash Flow Analysis

(1) Liquidity analysis for the last two years:

1. Consolidated Liquidity Analysis

Item \ Year	Year 2021	Year 2022	Ratio of Increase and Decrease (%)
Cash flow ratio	15.84	-11.62	-173.36
Cash flow proper ratio	26.97	11.14	-58.69
Cash reinvestment ratio	4.62	-8.45	-282.90
Explanation of the Analysis of Changes in the Ratio of Increase and Decrease: Cash flow ratio, Cash reinvestment ratio and Cash flow proper ratio decreased: Mainly due to 2022 Operating activities net cash flow decrease.			

2. Individual liquidity analysis

Item \ Year	Year 2021	Year 2022	Ratio of Increase and Decrease (%)
Cash flow ratio	15.93	13.94	(12.49)
Cash flow proper ratio	49.21	60.92	23.80
Cash reinvestment ratio	5.54	4.14	(25.27)
Explanation of the Analysis of Changes in the Ratio of Increase and Decrease: Cash flow ratio decrease: Mainly due to Liquid liabilities increase. Cash flow proper ratio increase: Mainly due to Operating activities net cash flow increase. Cash reinvestment ratio decrease: Mainly due to the increase in long-term investments.			

(2) Cash liquidity analysis for the coming year:

Opening cash balance (1)	Year round from Operating activities net cash flow (2)	Annual cash outflow (3)	Cash surplus (deficiency) (1)+(2)-(3)	Remedial Measures for Cash Insufficiency	
				Investment Plan	Financial plan
121,474	23,696	66,794	78,376	None	None
1. Analysis of changes in cash flow this year: (1) Business activities: This year, the unit price of raw materials and fuels has increased, leading to an increase in costs, resulting in a net cash inflow of NT\$23,696,000. (2) Investment and financing activities: this year is expected to distribute Cash dividend, Director remuneration and Employee remuneration, resulting in a net cash outflow of NT\$66,794,000. 2. Remedial measures and flow analysis of estimated cash insufficiency: Not applicable					

IV. Impact of major capital expenditures in the most recent year on the financial status: None

V. Reinvestment policy in the most recent year, the main reason for its profit or loss, improvement plan and investment plan for the next year: The company has not had such a situation in recent years, and has no future research and development plans and planned research and development expenses.

VI. Risk Management

(1) 2022 interest rate, exchange rate changes, the impact of inflation on the company's profit and loss and future response measures:

1. Interest rate:

(1-) In 2022, due to the investment in the Subsidiary and lease Kaohsiung Port 45 Wharf cement round warehouse and ancillary equipment, there is a

funding gap. The annual interest cost is about NT\$13,329,000, accounting for 8.94% of the current net profit.

- (2-) Future countermeasures: Since the company still has borrowing needs in 2023, the interest rate increase for NT dollars will increase. The company pays attention to the changes and trends of interest rates at any time and continues to pay attention to market conditions. If necessary, it can adjust the liability position or adopt fixed interest rate instruments to avoid risks.

Because the company still needs to borrow money in 2023, it is expected that the interest rate of NT\$ will increase by one yard, and the interest will increase by about NT\$2.75 million.

2. In terms of exchange rate:

- (1-) In 2022, the exchange rate of US dollar against Taiwan dollar will appreciate, from NT\$27.68 at the beginning of the year to NT\$30.71 at the end of the year. The company holds US\$6.32 million in US dollar positions, so the exchange benefits caused by the depreciation of the US dollar is about NT\$19.15 million.

- (2-) Future response measures: In 2023, The decrease in U.S. dollars is planned for loan repayments and the impact of exchange rate changes is not significant.

3. In terms of inflation:

- (1-) In 2022, the purchase price of clinker and fuel will increase and the electricity fee will be adjusted, which will have an increased impact on production costs.

- (2-) Future response measures: It is expected that cement prices will increase accordingly in 2023, and the cost increase will be passed on to consumers.

- (2) Engage in high-risk, high-leverage investment, fund lending to others, endorsement guarantee and derivative commodity trading policies in 2022, the main reasons for profit or loss and future countermeasures:

1. Engaging in high-risk, high-leverage investments:

- (1) No high-risk, high-leverage investments in 2022.

- (2) Future response measures: It is expected that no high-risk, high-leverage investments will be made in 2023.

2. Fund loan to others:

- (1-) No capital loans to others in 2022.

- (2-) Future response measures: It is expected that in 2023, it will not engage in capital lending to others.

3. In terms of endorsement guarantee:

- (1-) On March 14, 2023, the Board of directors approved the Subsidiary Southeast Gaoliang Resource Recycle Co., which directly and indirectly holds 51% of the company's shares, and endorsed the case of NT\$335,580,000.

- (2-) Future countermeasures: The company is a Subsidiary with 51% direct and indirect shareholding of the company, the Chairman is the former President

of the company, and the finance department is also responsible for the management of the company's finance department, so its credit risk is within the company's tolerable range.

4. Derivatives Trading:

(1-) In 2022, there will be no pre-purchased forward USD derivatives transactions.

(2-) Future response measures: It is expected that there will be no forward purchase of US dollar derivatives transactions in 2023.

(3) 2022 annual research and development plan, the current progress of the unfinished research and development plan, the research and development expenses that need to be reinvested, the estimated time to complete mass production, and the main factors that will affect the success of research and development in the future:

1. 2022 R&D plan: None.
2. The current progress of the unfinished research and development plan: None.
3. R&D expenses that need to be reinvested: None.
4. Estimated mass production time: None.
5. Main factors affecting R&D success in the future: None.

(4) The impact of major domestic and foreign policies and legal changes on the company's finances in 2022 and countermeasures: None.

(5) Impact of technological changes and industrial changes on the company's finances in 2022 and countermeasures:

1. In 2022, the Company established the "Information Security Management Committee" to promote and implement the Company's information and communications security-related affairs and reduce internal information security risks, including the installation of firewalls, anti-virus software, e-mail control, data backup and recovery, etc., so as to minimize the threat of ransomware attacks. The company's main business and revenue are related to cement manufacturing, resource regeneration, and construction business. They are all traditional manufacturing industries, and the industry has not changed much.
2. Future countermeasures: It is expected to obtain ISO27001 information security management system certification in 2023 and continue to improve the requirements of the information security management system to protect the confidentiality, integrity and availability of information, so that the relevant departments of the company can ensure that risks are fully managed. We will also conduct occasional employee safety training to enhance the awareness of information security.

(6) Impact of corporate image change on corporate crisis management in 2022 and countermeasures: None.

(7) Expected benefits of mergers and acquisitions, possible risks and countermeasures: None.

(8) Expected benefits, possible risks and countermeasures of plant expansion: None.

- (9) Risks and countermeasures faced by centralized purchase or sales: None.
- (10) Director, supervisor or major shareholder holding more than 10% of the shares, the impact of a large transfer or replacement of equity on the company, risks and countermeasures: None.
- (11) The impact of the change of management rights on the company, risks and countermeasures: None.
- (12) Litigation or non-litigation event: None.
- (13) Other important risks and countermeasures: None.

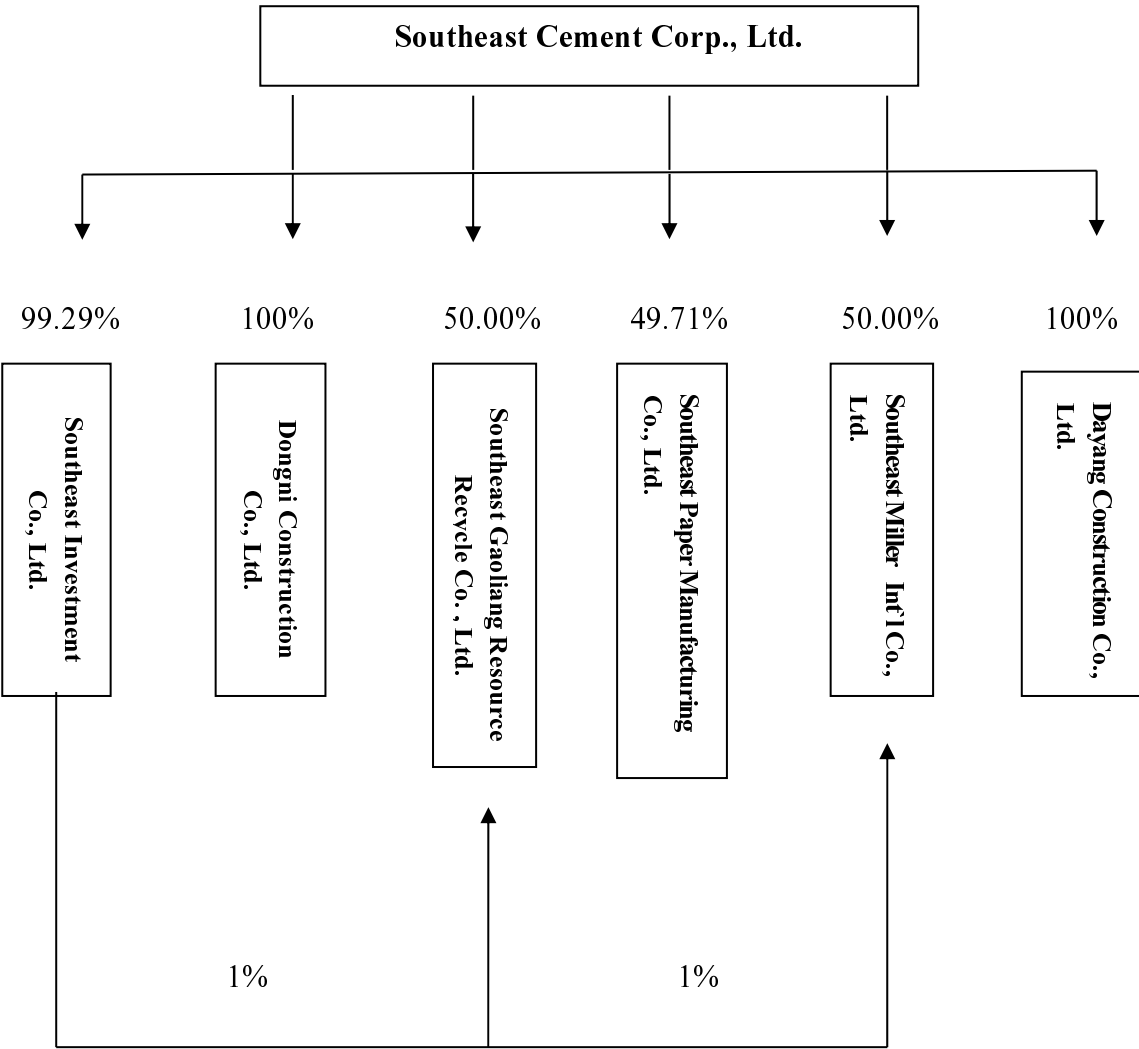
VII. Other important matters:

On April 1, 2022, when the contractor - Jiongde Construction Co., Ltd. dismantled the unused raw material storage, it collapsed in the direction not planned, crushing the Tai power tower and the high-voltage wires of the high-speed rail. The high-voltage wires of the high-speed rail were short-circuited, resulting in the suspension of high-speed rail and Taiwan Railway. In April 2022 and June 2022, the company received letters from the Taiwan Railway Administration of the Ministry of Communications and the Tainan City Government, claiming NT\$7,489,000 and NT\$2,410,000 from the company for the above incidents, the company has reached a consensus with the contractor - Jiongde Construction Co., Ltd., and the request made by the Taiwan Railway Administration of the Ministry of Communications and the Tainan City Government shall be fully paid and compensated by Jiongde Construction Co., Ltd. The company will also urge Jiongde Construction Co., Ltd. to handle matters related to compensation claims as soon as possible; In addition, as of March 14, 2023, Jiongde Company has completed the above-mentioned payment of compensation to the Taiwan Railway and Tainan City Government, and the company has not received any notice and request for the specific compensation amount from the High-Speed Rail Company and other units.

Eight. Special Records

I. Relevant information of affiliated associates

(1) Affiliated Associates Organization Chart:



(2) Basic information of related companies:

Unit: NT\$ thousand

Company Name	Establishment Date	Address	Paid-in Capital	Main business or Production items
Southeast Investment Co.,Ltd	1989.10.04	5F-1, No. 21, Wufu 3rd Road, Qianjin District, Kaohsiung City	502,355	Securities Investment Business
Southeast Gaoliang Resource Recycle Co.,Ltd	2019.03.08	5F-1, No. 21, Wufu 3rd Road, Qianjin District, Kaohsiung City	170,000	Resource Recycling
Southeast Clay Construction Co.,Ltd (Note 1)	2014.05.30	5F-1, No. 21, Wufu 3rd Road, Qianjin District, Kaohsiung City	790,000	Residential and building development, leasing & sales
Southeast Paper Manufacturing Co.,Ltd	1966.11.24	5F-1, No. 21, Wufu 3rd Road, Qianjin District, Kaohsiung City	10,000	Paper manufacturing etc.
Southeast Miller Int'l Co.,Ltd (Note 2)	2022.04.25	5F-1, No. 21, Wufu 3rd Road, Qianjin District, Kaohsiung City	100,000	Leasing industry
Dayang Construction Co.,Ltd	1976.06.12	5F-1, No. 21, Wufu 3rd Road, Qianjin District, Kaohsiung City	90,000	Construction industry

Note 1: Dongni Construction Co., Capital increase approved on December 13, 2022.

Note 2: The establishment of Southeast Miller International Co., Ltd. was approved on April 25, 2022.

(3) Director, Supervisor and President information of each affiliated Associates:

Unit: Share; %

Company name	Job title	Name or representative	Shares held	
			No. of share	Shareheld ratio
Southeast Investment Co.,Ltd	Chairman	Southeast Cement Co.,Ltd Chen Minduan	498,780	99.29
	Director	Southeast Cement Co.,Ltd Chen Guanhua	498,780	99.29

	Director	Southeast Cement Co.,Ltd Wu Yanhui	498,780	99.29
	Director	Southeast Cement Co.,Ltd Wu Changzhi	498,780	99.29
	Supervisor	East Tree Investment Co.,Ltd Guo Mingquan	597	0.12
	President	Chen Minduan	0	0
Dongni Construction Co.,Ltd	Chairman	Southeast Cement Co.,Ltd Chen Minduan	79,000,000	100.00
	Director	Southeast Cement Co.,Ltd Qiu Dalu	79,000,000	100.00
	Director	Southeast Cement Co.,Ltd Lin Junjie	79,000,000	100.00
	Director	Southeast Cement Co.,Ltd	79,000,000	100.00
	President	Chen Guanhua		
	Supervisor	Southeast Cement Co.,Ltd Xie Mingzhi	79,000,000	100.00

Company name	Job title	Name or representative	Shares held	
			No. of share	Shareheld ratio
Southeast Paper Manufacturing Co.,Ltd	Chairman	Chen Tianzhu	82	0.82
	Director	Southeast Cement Co.,Ltd Chen Minduan	4,971	49.71
	Director	East Tree Investment Co.,Ltd Chen Guanhua	159	1.59
	Director	Chen Yanpu	148	1.48
	Director	Lin Shuyuan	82	0.82
	Director	Chint Cement Works Co.,Ltd Zheng Lixiang	628	6.28
	Director	Zhao Bosheng	41	0.41
	Supervisor	Fuxing Co.,Ltd Wu Likun	415	4.15
	Supervisor	Chen Youcai	157	1.57
	President	Chen Minduan	0	0
Southeast Gaoliang Resource Recycle Co.,Ltd	Chairman	Southeast Cement Co.,Ltd Wu Changzhi	8,500,000	50.00
	Director	Southeast Cement Co.,Ltd Chen Minduan	8,500,000	50.00

	Director	Southeast Cement Co.,Ltd Chen Guanhua	8,500,000	50.00
	Director	Gaoliang Investment Development Co.,Ltd	8,330,000	49.00
	President	He Junlong		
	Director	Gaoliang Investment Development Co.,Ltd He Yanxing	8,330,000	49.00
	Supervisor	Southeast Investment Co.,Ltd Huang Xinhan	170,000	1.00
	Supervisor	Guo Xiuqin	0	0
Southeast Miller Int'l Co.,Ltd	Chairman	Southeast Cement Co.,Ltd Chen Guanhua	5,000,000	50.00
	Director	Southeast Cement Co.,Ltd Chen Minduan	5,000,000	50.00
	Director	Southeast Cement Co.,Ltd Liang Jingqing	5,000,000	50.00
	Director	Wanmiro International Investment Co.,Ltd Wei Rushan	4,900,000	49.00
	Director	Wanmiro International Investment Co.,Ltd Yu Zhaoyi	4,900,000	49.00
	Supervisor	Southeast Investment Co.,Ltd Huang Xinhan	100,000	1.00
	President	Chen Pinteng	0	0
Dayang Construction Co.,Ltd	Chairman	Southeast Cement Co.,Ltd Luo Liying	9,000,000	100.00
	Director	Southeast Cement Co.,Ltd Chen Minduan	9,000,000	100.00
	Supervisor	Southeast Cement Co.,Ltd Yeh Wingchun	9,000,000	100.00
	President	Liang Jingqing	0	0

(4) Operation overview of each affiliated Associates:

Unit: NT\$ thousand

Company name	Capital amount	Total assets	Total liabilities	Net value	Operating revenue	Operating profit (Loss)	Profit and loss for the period (after-tax)	Surplus per share(year) (after-tax)
Southeast Investment Co.,Ltd	502,355	625,855	61	625,794	16,144	(21,219)	(20,504)	(40.82)
Southeast Gaoliang Resource	170,000	627,671	490,402	137,269	198,664	(6,373)	(9,029)	(0.53)

Recycle Co.,Ltd								
Dongni Construction Co.,Ltd	790,000	811,805	25,269	786,536	0	(7,372)	(7,372)	(0.20)
Southeast Paper Manufacturing Co.,Ltd	10,000	84,248	23,459	60,789	233	27	451	45.09
Southeast Miller Int'l Co.,Ltd	100,000	2,672,342	2,646,551	25,791	0	(52,026)	(74,209)	(7.42)
Dayang Construction Co.,Ltd	90,000	103,896	3,089	100,807	39,101	(7,514)	(10,505)	(1.17)

II. Handling of private placement securities: None.

III. Status of holding or disposing of the company's shares by subsidiaries in the most recent year and as of the date of publication of the annual report:

Unit: NT\$ thousand; Share;%

Subsidiary Name	Paid-in capital	Funding Source	The Company Shareheld ratio	Acquisition or Disposal Date	Shares acquired No. and Amount	Shares disposed No. and Amount	Investment gain & loss	As of annual report publication date Shares held and Amount	Set-up pledge situation	The company guarantee endorsed amount for subsidiary	Amount loaned by the Company to subsidiaries
Southeast Paper Manufacturing Co.	10,000	None	49.71%	None	None	None	None	No. of share: 2,112,865 Amount:38,711	None	None	None

IV. Other necessary supplementary explanations: None.

V. In the most recent year and as of the publication date of the annual report, if any event that has a significant impact on shareholders' equity or securities prices occurs as stipulated in Subparagraph 2, Item 2, Article 36 of the Securities and Exchange Act: None.

Southeast Cement Corp., Ltd.



Chairman Chen Minduan

