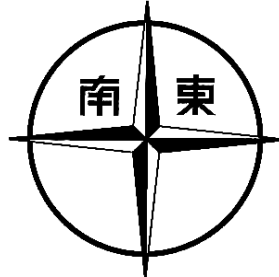


Stock code: 1110

Annual Report Inquiry website
Public Information Observation Station: [http : //mops.twse.com.tw](http://mops.twse.com.tw)
Company website: [http : //www.southeastcement.com.tw](http://www.southeastcement.com.tw)



Southeast Cement Co., Ltd.

2023 Annual Report

Publication Date: April 30, 2024

I. Spokesperson:

Name: Hsin-Han Huang

Title: Vice President of Finance Department

Tel: (07)2711121 ext. 227

Acting spokesperson:

Name: Jung-Tsung Tang

Title: Vice President of Sales Department

Tel: (07)2711121 ext. 216

E-mail : southeast@secement.com

II. Company Address

Headquarters: 4/F., No.21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City

Tel: (07)2711121 (Representative number)

Kaohsiung Port Shipping Station: No. 22, Dahua 3rd Rd., Qianzhen Dist., Kaohsiung City

Tel: (07)2711121 (Representative number)

Taipei Office: No. 51-3, Sec. 1, Chang'an E. Rd., Taipei City

Tel: (02)25612308, 25612309

III. Stock Transfer Agent

Name: Yuanta Securities Co., Ltd.

Address: B1, No. 210, Sec. 3, Chengde Rd., Taipei City

Tel: (02) 25865859

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

IV. Latest Certified Public Accountant

Firm Name: Crowe (TW) CPAs

Accountant name: Qing-Lin Li, Ling-Wen Huang

Address: 27/F, No.6, Siwei 3rd Rd., Kaohsiung City

Tel: (07) 3312133

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

V. Stock Exchange where depositary receipts or common shares are listed and related information: None.

VI. Company website

www.southeastcement.com.tw

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Chapter I Letter to Shareholders

Dear Shareholders:

According to the statistical data from the Taiwan Cement Industry Association, the domestic sales quantity of domestically produced cement and clinker in 2023 was 9.803 million metric tons, compared to 10.068 million metric tons from 2022, a decrease of 0.265 million metric tons, a recession of 2.63%.

The imports of cement and clinker were 3.213 million metric tons, a decrease of 0.196 million metric tons or 5.75% compared to 3.409 million metric tons in 2022. The total demand for cement in Taiwan in 2023 was 13.016 million metric tons, a decrease of 0.461 million metric tons from the 13.477 million metric tons in 2022, but a decline of 3.42%.

The real estate market in 2023 faced difficulties such as labor shortage, soaring construction costs, and difficulty in issuing construction projects. Coupled with the implementation of the new "Average Land Right Act", and the interference of the presidential election, developers in 2023 are very cautious about the development schedule and planning of the land on hand. Therefore, the "Residential, Industrial, and Commercial Office" three major categories have seen a total decline in the quantity of building permits issued.

In the face of unfavorable market conditions, the company adopted flexible marketing strategies to strengthen cement sales. The sales quantity of cement in 2023 increased by 7.9% compared to 2022, and the operating revenue increased by 13.5% compared to 2022. The sales quantity of furnace slag powder in 2023 increased by 16.54% compared to 2022, and the operating revenue increased by 33.91% compared to 2022.

In September 2023, the Company's Kaohsiung Plant ceased production, and the leased No. 45 Pier Shipping Station at Port of Kaohsiung was officially inaugurated. The Company has transitioned into a cement distribution business, focusing on the

procurement, packaging, and distribution of externally sourced cement products. This strategic shift ensures the long-term stability of our core cement operations, allowing the Company to continue meeting the demands of the existing southern region cement market.

In addition, the Kaohsiung Plant of Southeast Topgood Resources Recycling Co., Ltd. obtained the Quality Ready-Mixed Concrete (GRMC) certification in July 2023, with an annual total of 137,541.5 cubic meters of ready-mixed concrete sales, increased by 56.83% compared to 2022.

The following report presents the combined operating results of The Company and Subsidiary for 2023:

I. Last year's business result

- (I) Production: ①The cement production quantity was 308,844 metric tons in 2023, a decrease of 150,127 metric tons or 32.71% from the production quantity of 458,971 metric tons in 2022.
- ②The production quantity of furnace slag powder in 2023 was 63,102 metric tons, which was 73,086 metric tons less than the production quantity of 136,188 metric tons in 2022, showing a decline of 53.67%.
- (II) Sales: ①The cement sales volume in 2023 was 536,034 metric tons, an increase of 39,273 metric tons or 7.91% compared to 2022 sales volume of 496,761 metric tons.
- ②The sales volume of furnace slag powder in 2023 was 168,175 metric tons, an increase of 16.54% compared to the sales volume of 144,308 metric tons in 2022, an increase of 23,867 metric tons.
- ③The cement sales revenue for 2023 is NT\$1,609 million, an increase of NT\$191 million, or a growth of 13.47%, compared to the cement sales revenue of NT\$1,418 million in 2022.
- ④The furnace slag powder sales revenue for 2023 is NT\$243 million, an increase of NT\$62 million, or a growth of 34.25%

from NT\$181 million in 2022.

⑤The operating revenue from others for 2023 was NT\$167 million, an increase of NT\$65 million, or a growth of 63.73% from the operating revenue from others of NT\$102 million for the year 2022.

⑥The total operating revenue for 2023 was NT\$2.019 billion, an increase of NT\$318 million, or a growth of 18.69% from the total operating revenue of NT\$1.701 billion in 2022.

(III) Profit/Loss Situation: The net profit after tax for 2023 was NT\$150 million (Earnings per share was NT\$0.26), which was NT\$1 million higher than the net profit after tax of NT\$149 million (Earnings per share was NT\$0.26) for 2022.

(IV) Financial Situation: The debt ratio decreased from 27.22% in 2022 to 23.65% in 2023. The Current ratio increased from 104.41% in 2022 to 142.80% in 2023.

(V) The Company and Subsidiary's 2022 consolidated business result:

The consolidated operating revenue of the Company and its subsidiaries in 2023 was NT\$2.274 billion, an increase of NT\$480 million, or a growth of 26.76% compared to NT\$1.794 billion in 2022. The net profit after tax attributable to the owner of the Company for the current period was NT\$150 million, and the basic earnings per share (after tax) attributable to the Company was NT\$0.26.

II. Research and Development Status

The Company produces Portland slag cement in three packaging methods: bagged, Fibc bag, and bulk. Bagged for use in floor tiles, stone adhesion, it can effectively prevent efflorescence and black spots from forming. Fibc bag and bulk materials have lower heat of hydration, higher compressive strength and durability in the later stage, and can be used in geological improvement projects, dam projects, maritime projects, tunnels, sewers, bridges, embankment projects, etc. It is expected that the sales growth of Portland slag cement will effectively boost the company's profits.

III. Operational Summary of This Year

Looking forward to 2024, the Executive Yuan has allocated a total public construction budget of NT\$588.6 billion, of which NT\$192.8 billion is for the public construction plan, an increase of NT\$29.8 billion compared to 2023, or about an 18.3% increase. Including the overall traffic plan for Ciaotou Science Park - the priority route for the extension of Taiwan Route 39 with a budget of NT\$2.02 billion, the phase two construction plan for Kaohsiung factory Chaozhou base with a budget of NT\$1.6 billion, and the railway underground project in Kaohsiung city with a budget of NT\$1.05 billion... etc.

Major construction projects such as the development of the Kaohsiung Ciaotou Science Park, the ZuoYing Military Port Weihai Project, Renwu Park factory construction, Nanzih Park TSMC factory construction, the extension line of the Kaohsiung Metro Gangshan-Luzhu, the Kaohsiung Metro Yellow Line civil electromechanical engineering, Kaohsiung social housing, the construction of Kaohsiung City Sports Center, and the promotion of private construction projects are expected to have a steady demand for cement.

The Subsidiary, Dongni Construction Co., Ltd., currently has two self-build projects. The first one is located in the Yan South section of Yanchao District, Kaohsiung, planning to build 27 townhouses. It obtained the use license on January 10, 2024 and has begun the preservation registration and pre-sale operations. The second is located in the Wu Fu section of Chaozhou Town, Pingtung County, planning to build 20 townhouses. At present, the construction license has been obtained and construction has been reported. The expected actual commencement of work is in May 2024. There are also four joint construction projects. The first one is located in Dong'an Section, Dongshan District, Tainan City, where a joint construction project of 41 standalone houses is planned. The interior decoration work and the excavation and installation of Taiwan Power Company and Chunghwa Telecom pipelines are currently under construction, with sales scheduled after completion in the second quarter of

2024. The second one is located in Dalian Section, Pingtung City, where a building of 140 units and 5 floors with elevators is planned. The structure has been completed and the interior and exterior decoration work is under construction, with sales also scheduled after completion in the second quarter of 2024. The third one is located in Fuchun Section, Chaozhou Town, Pingtung County, where a building of 144 units and 5 floors with elevators is planned. The construction permit has been obtained and construction is expected to start in March 2024. The fourth one is located in Xinhougang West Section, Renwu District, Kaohsiung City, where the design has been altered to a 15-story building with 128 apartments and 16 road-front separate unit houses. The design alteration has been completed and is expected to commence construction at the end of 2024.

Additionally, the Southeast Topgood Resources Recycling Co., Ltd., a Subsidiary, obtained the building permit for the Dafa plant in March 2023. It has begun to build the plant, which is expected to take about one year. The trial operation and application for operation permissions after the completion of the plant will take about half a year. It is estimated that the operating permit will be obtained at the fastest in the fourth quarter of 2024.

The inflation caused by the Russo-Ukrainian war and the Israeli-Palestinian conflict, in conjunction with the increasing electricity costs and carbon fees, is bound to further increase operating costs. The Company's business strategy still focuses on stability by seeking stable and high-quality cement sources, deepening customer services, and activating assets to maximize the Company's profits.

Dear Shareholders, we hereby present the operating conditions and future business plans for 2023. The Company is in the process of transformation, and we kindly ask for your support and guidance. Thank you!

Chairman Min-Tuan Chen

April 30, 2024

Chapter II Company Profile

I. Date of incorporation: 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 (2,250 metric tons per day) and production started.
1977	Increased the capital to NT\$410 million.

1979	Increased the capital to NT\$500 million.
1979	The annual cement production and sales volume broke through one million metric tons.
May 1979	Started managing Chengtai Cement Factory.
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 offices moved to the building.
January 1982	The coal-fired system of Kiln No. 3 was completed and operation started.
April 1982	Leased of equipment from the Kaohsiung Plant of Chentai Cement Company.
June 1983	The coal-firing system of Kiln No. 4 was modify 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 million.
October 1986	The government granted the Company for the Excellent Factory Award of Pollution Prevention and Control.
August 1987	Increased the capital to NT\$1,098.24 million.
September 1988	Increased the capital to NT\$1,140.07 million.
December 1988	The Company's Kaohsiung factory was honored with the title of "Model Factory" after it met the standards of the Air Pollution Control Act in several strict sampling tests conducted by the Kaohsiung City Environmental Protection Bureau for three consecutive years.
January 1989	The Company established the "Southeast Cement Employee Self-Improvement Association" to coordinate and handle employee welfare matters.
August 1989	Increased the capital to NT\$1,232.35 million.
July 1990	The improvement of the Kiln No.4 automation process officially started.
August 1990	Increased the capital to NT\$1,734.48 million.
December 1990	The improved automation and process monitoring computer system for Kiln No. 4 was completed and operation started.

June 1991	The Company initially imported clinker from Osaka Cement Company, Japan.
September 1991	Increased the capital to NT\$2 billion.
May 1992	The Company established the "Internal Control and Internal Audit Committee" and revised the "Internal control system" to comply with the regulations of Financial Supervisory Commission of Ministry of Finance, it filed for approval before October 31, 1992, providing a solid foundation for the Company's listing application.
July 1992	Increased the capital to NT\$2.4 billion.
April 1993	Directors and supervisors were re-elected to achieve the aim of independent operations of directors and supervisors.
July 1993	Increased the capital to NT\$2.76 billion.
September 1993	The Company passed the ISO-9002 International Quality Assurance System examination and was awarded the certificate, making it the first vendor in the domestic industry to achieve this certification.
December 1993	Increased the capital to NT\$3.08 billion.
August 1994	Increased the capital to NT\$31,260.2 million.
October 1994	The company's stock was officially listed.
September 1996	Increased the capital to NT\$3,438.82 million.
September 1997	Increased the capital to NT\$ 4,954.643 million.
December 1997	Handled land revaluation.
May 1998	Trial incineration of waste tires started.
July 1998	Increased the capital to NT\$5,451.073 million.
October 1998	Applied with the Securities and Futures Commission to modify the cash capital increase plan for the 1997, which was approved. The original investment in HePing Cement was postponed repaying corporate bonds and bank loans, etc.
December 1998	Officially passed the ISO-14001 evaluation and registered with the Bureau of Standards, Metrology and Inspection.
December 1998	The Company repaid one billion dollars in corporate bonds.
January 1999	The founder Mr. Chiang-Chang Chen passed away and the position of Chairman was succeeded by the Vice Chairman Mr. Min-Hsien Chen.

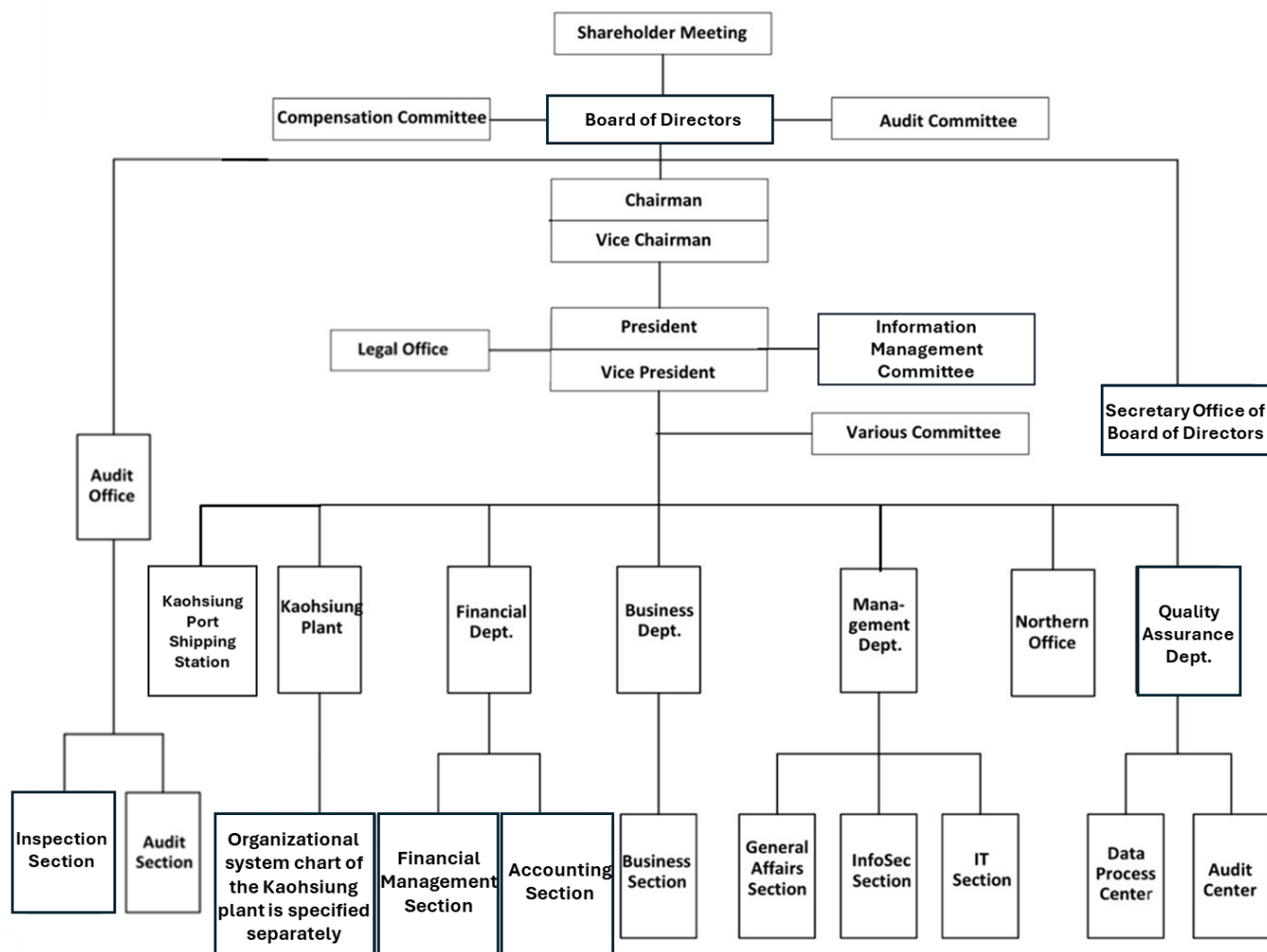
August 2000	Increased the capital to NT\$5,586.35998 million.
December 2000	Invested NT\$500 million in Kaohsiung MRT, and the Chairman served as the role as the Vice Chairman of Kaohsiung MTR.
November 2001	Invested NT\$213 million in Kaohsiung MRT, with a total investment of NT\$713 million, an Ownership of 7%.
December 2001	The Great World Department Store, which the Company reinvested in officially opened.
July 2003	The Company launched a new product, furnace slag 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 Jiaxin Jingyang Cement Co., Ltd. in mainland China.
August 2004	Increased the capital to NT\$5,865.67797 million.
September 2005	The Chairman of the Company resigned from the position of Vice Chairman of Kaohsiung MRT.
November 2005	Implemented the first treasury stock buyback.
February 2006	Implemented the second treasury stock buyback.
April 2006	The first cancellation of treasury shares and capital reduction amounted to NT\$ 5,833,147,970.
July 2006	The second cancellation of treasury shares and capital reduction amounted to NT\$5,760,007,970.
September 2008	Implemented the third treasury stock buyback.
January 2009	The third cancellation of treasury shares and capital reduction amounted to NT\$5,720,007,970.
September 2009	Chairman Mr. Min-Hsien Chen passed away.
October 2009	The Board of Directors elected Vice Chairman Min-Tuan Chen to succeed as Chairman.
December 2014	The reinvested Great World Department Store ended its business.
May 2014	Establish Southeast Asset Development Co., Ltd., with — 100% ownership, and invest a capital of NT\$290 million.
November 2018	Southeast International Co., Ltd., the Company's subsidiary, was liquidated and returned stock capital to investors.

March 2019	Southeast Topgood Resources Recycling Co., Ltd. was jointly established with Gao Liang Investment Development Co., Ltd., The Company holds 50% stake with a capital investment of NT\$30 million.
March 2020	The subsidiary, Southeast Topgood Resources Recycling Co., Ltd. increases its capital to NT\$80 million, with our company holding a 50% stake. The capital investment is NT\$10 million.
September 2020	The subsidiary, Southeast Topgood Resources Recycling Co., Ltd. increases its capital to NT\$100 million, with our company holding a 50% stake. The capital investment is NT\$10 million.
February 2021	The subsidiary, Southeast Topgood Resources Recycling Co., Ltd. increases its capital to NT\$120 million, with our company holding a 50% stake. The capital investment is NT\$10 million.
April 2021	The subsidiary, Southeast Topgood Resources Recycling Co., Ltd. increases its capital to NT\$140 million, with our company holding a 50% stake. The capital investment is NT\$10 million.
June 2021	The subsidiary, Southeast Topgood Resources Recycling Co., Ltd. increases its capital to NT\$160 million, with our company holding a 50% stake. The capital investment is NT\$10 million.
September 2021	The subsidiary, Southeast Topgood Resources Recycling Co., Ltd. increases its capital to NT\$170 million, with our company holding a 50% stake. The capital investment is NT\$5 million.
April 2022	Southeast Milo International Co., Ltd. was jointly established with Want Milo International Co., Ltd., The Company holds 50% stake with a capital investment of NT\$50 million.
June 2022	The subsidiary, Southeast Assets Co., Ltd. was renamed as Dong Nai Construction Co., Ltd.
November 2022	The Subsidiary Dong Nai Construction Co., Ltd. increased its capital to NT\$ 790 million.
December 2022	The Company acquired the shares of Da Yang Construction Co., Ltd. from a related party and it became a wholly-owned subsidiary of The Company.

Chapter III Corporate Governance Report

I. Organization

(I) Organizational Chart (revised on November 1, 2023)



(II) Major functions:

Management Department	Planning, execution and supervision of managerial personnel, general affairs, procurement, information and asset management
Business Department	Handle product sales, promotion, after-sales service, etc.
Finance Department	Budget control, accounting processing, fund raising and scheduling, investment management, etc.

Quality Assurance Department	Inspection of quality assurance operations, formulation and implementation of quality policies
Kaohsiung plan	Cement Packaging and Delivery
Audit Office	Review and evaluate the reasonableness and appropriateness of various business controls.

II. Information on Directors, Presidents, Vice Presidents, Assistant Vice Presidents and Chiefs of departments and branches

(I) Directors:

April 30, 2024

Title	Nationality	Names of corporate shareholders	Gender	Date of Assignment	Office Term	Date of first Elected	Shares held while election		Current shares held		Current Shareholding of spouse and minor children		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in the Company and other companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
		Representative Name	Age				No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
Chairman	Taiwan	Tong Shu Investments Corp.	Male	2023.06.21	3 years	2011.06.29	80,496,816	14.07	80,496,816	14.07	13,003	0.00	0	0.00	Southeast Cement Co., Ltd. Vice Chairman	Dong Nai Construction Co., Ltd. Chairman	Director	Kuan-Hua Chen	Father & Son	None
		Min-Tuan Chen	75-80 years old						2,960,000	0.52										
Director	Taiwan	Chen Chao Shu Public Welfare Charity Foundation	Male	2023.06.21	3 years	2011.06.29	24,885,291	4.35	24,885,291	4.35	0	0.00	0	0.00	Master's in Business Administration, USC	Dong Nai Construction Co., Ltd. President	Chairman	Min-Tuan Chen	Father & Son	None
		Kuan-Hua Chen	45-50 years old						6,484,910	1.13										
Director	Taiwan	Tong Shu Investments Corp.	Male	2023.06.21	3 years	2011.06.29	80,496,816	14.07	80,496,816	14.07	0	0.00	0	0.00	Southeast Cement Co., Ltd, Plant Manager	Southeast Cement Co., Ltd., Acting President	None	None	None	None
		Yan-Hui Wu	70-75 years old						1,718	0										
Director	Taiwan	Chen Chao Shu Public Welfare Charity Foundation	Male	2023.06.21	3 years	2011.06.29	24,885,291	4.35	24,885,291	4.35	0	0.00	0	0.00	Master's, Business Management, Tunghai University	Southeast Cement Co., Ltd., Vice President of Finance Department	None	None	None	None
		Hsin-Han Huang	55-60 years old						0	0										
Director	Taiwan	Li-Xiang Zheng	Male	2023.06.21	3 years	2023.06.21	1,800,000	0.31	1,800,000	0.31	0	0.00	0	0.00	Southeast Cement Co., Ltd., Supervisor	Xin Xin Supermarket Co., Ltd., Independent Director	None	None	None	None
			50-55 years old																	

Title	Nationality	Names of corporate shareholders	Gender	Date of Assignment	Office Term	Date of first Elected	Shares held while election		Current shares held		Current Shareholding of spouse and minor children		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in the Company and other companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks
		Representative Name	Age				No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
Director	Taiwan	Fukang Cultural and Educational Foundation	Male	2023.06.21	3 years	2023.06.21	38,829,350	6.79	38,829,350	6.79	0	0.00	0	0.00	Taiwan Machinery Shipyard Co., Ltd., President	None	None	None	None	None
		Zhao-Xiong Yang	65-70 years old						0	0.00										
Director	Taiwan	Southeast Cultural Foundation	Female	2023.06.21	3 years	2014.06.29	33,421,803	5.84	33,421,803	5.84	0	0.00	0	0.00	Master's, Business Management, Kaohsiung University of Science and Technology	Fu Kang Asset Management Co., Ltd., Chairman	None	None	None	None
		Shu-Fang Zhong	65-70 years old						761	0.00										
Director	Taiwan	Yi-Ling Lin	Female	2023.06.21	3 years	2023.06.21	200,000	0.03	200,000	0.03	0	0.00	0	0.00	Master's in Business Management, Kaohsiung University	Taiwan Implant Technology Co. Ltd. Assistant Manager	None	None	None	None
			40-45 years old																	
Independent Director	Taiwan	Wen-Zai Yang	Male	2023.06.21	3 years	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. Ltd., Independent Director	None	None	None	None
			80-85 years old						0	0.00										
Independent Director	Taiwan	Jin-Bao Ye	Male	2023.06.21	3 years	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
			80-85 years old						0	0.00										
Independent Director	Taiwan	Yu-Xin Zhuang	Female	2023.06.21	3 years	2017.06.23	0	0.00	0	0.00	0	0.00	0	0.00	Thunderbird School of Global Management Master of International Management (Master's in international management)	None	None	None	None	None
			45-50 years old						0	0.00										

Note: Representative was assigned on January 24, 2024.

Major shareholders of Legal Person shareholders

(Shareholding Ratio of Top10 Shareholders)

April 30, 2024

Legal Person Shareholder Name	Major shareholders of Legal person
Tong Shu Investments Corp.	Min-Tuan Chen (64.45%); Mei-Yu Huang (13.80%); Baifu Investment Co., Ltd. (8.93%); Kuan-Hua Chen (8.09%); Yi-Jing Chen (2.56%); Yi-Wen Chen (2.16%)
Chen Chao Shu Public Welfare Charity Foundation	None
Fukang Cultural and Educational Foundation	None
Southeast Cultural Foundation	None

Note: The above information is provided by the Legal person shareholders, and The Company only discloses according to the information provided.

Major Shareholder is Legal Person, Its major Shareholder

(Shareholding Ratio of Top 10 Shareholders)

April 30, 2024

Legal Person Name	Major shareholders of Legal person
Baifu Investment Co., Ltd.	Min-Tuan Chen (48.48%); Kuan-Hua Chen (30.75%); Mei-Yu Huang (12.90%); Tong Shu Investments Corp. (2.68%); Yipin Resource Co., Ltd. (0.19%); Yi-Wen Chen (1.42%); Yi-Jing Chen (1.44%); Pin-Chen Chen (1.18%); Yi-Pei Yeh(0.77%); Pin-Hsueh Chen (0.19%)

Note: The above information is provided by the Legal person shareholders, and The Company only discloses according to the information provided.

Director Information

I. Director professional qualifications and the Information of Independence director disclosure:

Condition Name	Professional Qualification and Experience	Independence situation	No. of independent directors concurrent serving as other public companies
Tong Shu Investments Corp. Representative: Min-Tuan Chen	Graduated from the Department of Business Administration, Tamkang University. Chairman Min-Tuan Chen joined the Board of Directors in 1979. After being listed in 1994, he served as a director and concurrently as the Vice President of the company. In 1999, he was promoted to Executive Director. In 2002, he assumed the role of Vice Chairman, and in 2009, he was promoted to Chairman. He is very familiar with the production, sales, and financial situation of the cement industry. He formerly served as the Director of CHC Resources Corporation, Chairman of Jiahuan Dongli Co., Ltd. and Chairman of the Great World Department Store Co., Ltd. He currently concurrently serves as the Chairman of Dongni Construction Co., Ltd., Chairman of Zhengtai Cement Factory Co., Ltd., Chairman of Taiwan Mixed Resources Development Co., Ltd. and Chairman of Southeast Investment Co., Ltd.	1. Concurrent serves as (99.75% Subsidiary) President. 2. Concurrent serves as (100% Subsidiary) Chairman. 3. Holding 2,960,000 shares of the Company, accounting for 0.52% of shareholders. 4. His son holds 6,484,910 shares in The Company, accounting for 1.13% of the shareholders. 5. Legal person shareholders held more than 5% of company's issued shares - Tong Shu Investments Corp., Taiwan Machinery Shipyard Co., Ltd., and Baifu Investment Co., Ltd., as Chairman. 6. Companies with financial or business dealings with The Company - Chairman of Dong Nai Construction Co., Ltd., Chairman of Zheng Tai Cement Factory Co., Ltd., Chairman of Taiwan Mixed Resources Development Co., Ltd. 7. His son served as the Vice Chairman and President of The Company, but resigned as President on April 1, 2023. 8. Tong Shu Investments Corp. is a corporate shareholder holding more than 5% of the Company's issued shares.	0

	None of the circumstances set forth in Article 30 of the Company Law. Mr. Min-Tuan Chen possesses practical experience, strategic management, and leadership skills. He has been focusing on the operational management of the cement industry for more than 40 years. Therefore, he has the operational and management capabilities in financial accounting, business, and market marketing.	9. Min-Tuan Chen was appointed as the Director, as the designated representative of Tong Shu Investments Corp. 10. The others have been verified in accordance with the independent requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	
Chen Chao Shu Public Welfare Charity Foundation Representative: Kuan-Hua Chen	Master of Business Administration from the University of Southern California. Vice Chairman Kuan-Hua Chen joined the Board of Directors in July 2017 and serves as Vice Chairman. Vice Chairman Chen served as the Vice president of The Company from December 2010 to July 2017, took on the role of President on March 25, 2022, but resigned from the position of President on April 1, 2023. Formerly served as the Manager of The Royal Bank of Scotland, Hong Kong branch, and currently concurrently serves as the Chairman of Southeast Milo International Co., Ltd., President of Dong Nai Construction Co., Ltd., Supervisor of Tiancheng Concrete Industry Co., Ltd., Director of Zhengtai Cement Factory and Director of Southeast Investment Co., Ltd. None of the circumstances	1. Concurrent serves as (100% Subsidiary) President. 2. Concurrent serves as (100% Subsidiary) Chairman. 3. Holding 6,484,910 shares of the Company, accounting for 1.13% of the shareholders. 4. His father holds 2,960,000 shares of The Company, accounting for 0.52% of the shareholders. 5. As the Director of Tong Shu Investments Corp., Taiwan Machinery Shipyard Co., Ltd., and Baifu Investment Co., Ltd., which are legal shareholders holding more than 5% of the Company's issued shares. 6. Companies that have financial or business dealings with The Company - Chairman of Southeast Milo International Co., Ltd., President of Dongni Construction Co., Ltd., Director of Zhengtai Cement Factory Co., Ltd., Supervisor of Tiansheng Concrete Industry Co., Ltd. 7. His father serves as the Chairman of the Company. 8. The Chen Chao Shu Public	0

	set forth in Article 30 of the Company Law. Mr. Kuan-Hua Chen, who is equipped with practical experience, strategic management, and leadership capabilities, has been focusing on the management of the cement industry for over 10 years. He possesses the practical abilities related to finance and accounting, business, and marketing management.	Welfare Charity Foundation is a corporate shareholder holding more than 5% of the Company's issued shares. 9. Kuan-Hua Chen was appointed as the Director, as the designated representative of the Chen Chao Shu Public Welfare Charity Foundation. 10. The others have been verified in accordance with the independent requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	
Tong Shu Investments Corp. Representative: Yan-Hui Wu	Graduated from the Department of Mining and Metallurgy, Taipei Industrial College. Director Yan-Hui Wu joined the Board of Directors in June 2023. Director Wu once served as the Deputy Factory Director and Factory Director of the Company's Kaohsiung Plant. Currently serving as the Vice President of Production and Acting General Manager and concurrently as the Director of Southeast Investment Co., Ltd. For the Company. None of the circumstances set forth in Article 30 of the Company Law. Mr. Yan-Hui Wu, with his practical experience, strategic management and leadership skills, has focused on the management of the cement industry for over 40 years. Possess industry	1. Concurrent serves as (99.29% Subsidiary) Director. 2. Tong Shu Investments Corp. is a corporate shareholder holding more than 5% of the Company's issued Shares. 3. Yan-Hui Wu was appointed as the Director, as the designated representative of Tong Shu Investments Corp. 4. The others have been verified in accordance with the independent requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	0

	knowledge, market marketing, and other operational and management practical abilities.		
Chen Chao Shu Public Welfare Charity Foundation Representative: Hsin-Han Huang	Graduated with a Master's in Business Administration from Tunghai University. Director Hsin-Han Huang joined the Board of Directors in January 2024. Director Huang served as the Manager of the Finance Department of The Company. Currently serves as Vice President of the Finance Department in the Company and also holds the position of Supervisor at Dong Nai Construction Co., Ltd., Southeast Topgood Resources Recycling Co., Ltd., Southeast Milo International Co., Ltd., and Director at Penghu Cable TV Co., Ltd. None of the circumstances set forth in Article 30 of the Company Law. Mr. Hsin-Han Huang has over 30 years of practical experience in financial management. Has practical ability in financial management, business analysis planning, and corporate governance for listed companies.	1. Concurrent serves as (51% Subsidiary) Supervisor. 2. Companies that have financial or business dealings with The Company - Supervisor, Southeast Topgood Resources Recycling Co., Ltd., Supervisor, Dong Nai Construction Co., Ltd. 3. The Chen Chao Shu Public Welfare Charity Foundation is a corporate shareholder holding more than 5% of the Company's issued shares. 4. Hsin-Han Huang was appointed as the Director, as the designated representative of Chen Chao Shu Public Welfare Charity Foundation. 5. The others have been verified in accordance with the independent requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	0

Li-Xiang Zheng	MBA graduate from Boston University in the United States. Director Li-Xiang Zheng joined the Board of Directors in June 2011. Director Zheng has served as the Executive Director and Supervisor of The Company, Market Development Assistant Manager of the Yingshang Global Brand Management, and Marketing and Duty-Free Market Manager of Taiwan Eddington Huansheng Wing Company Ltd. Current position is the independent director of Xin Xin Supermarket Co., Ltd. None of the circumstances set forth in Article 30 of the Company Law. Mr. Li-Xiang Zheng has served in the cement industry for over 10 years, is well-versed in the development of the cement industry chain and specializes in investment management, possessing skills in corporate governance, accounting information and financial analysis, marketing & sales and other operational and management abilities.	1. Holding 1,800,000 shares of the Company, accounting for 0.31% of shareholders. 2. The others have been verified in accordance with the independent requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	1

Fukang Cultural and Educational Foundation Representative: Zhao-Xiong Yang	Graduated from the Department of Mechanical Engineering, Kaohsiung University of Applied Sciences. Director Zhao-Xiong Yang joined the Board of Directors in November 2015. Formerly served as the President of Taiwan Machinery Shipyard Co., Ltd. None of the circumstances set forth in Article 30 of the Company Law. Mr. Zhao-Xiong Yang has served in the cement industry for over 10 years, is well-versed in the development of the cement industry chain and possesses practical abilities in corporate governance, business, marketing, and management.	1. The Fokang Cultural and Educational Foundation is a corporate shareholder holding more than 5% of the Company's issued shares. 2. Zhao-Xiong Yang was appointed as the Director, as the designated representative of the Fokang Cultural and Educational Foundation. 3. The others have been verified in accordance with the independent requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	0
Southeast Cultural Foundation Representative: Shu-Fang Zhong	Graduated with a Master of Advanced Business Management from Kaohsiung University of Science and Technology. Director Shu-Fang Zhong joined the Board of Directors in June 2023. Director Zhong served as the audit director of the Company. Currently serving as the Chairman of Foukang Asset Management Co., Ltd. None of the circumstances set forth in Article 30 of the Company Law. Ms. Shu-Fang Zhong has served in the cement industry for over 40 years, is well-versed in the development of the cement industry chain and has the ability in corporate governance, accounting information, financial	1. The Southeast Cultural Foundation is a corporate shareholder holding more than 5% of the Company's issued shares. 2. Shu-Fang Zhong was appointed as the Director, as the designated representative of the Southeast Cultural Foundation. 3. The others have been verified in accordance with the independent requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	0

	analysis, business management, and practical management skills.		
Yi-Ling Lin	Graduated with a Master of Advanced Business Management from National University of Kaohsiung. Director Yi-Ling Lin joined the Board of Directors in June 2023. Currently serving as the Assistant Manager of Taiwan Implant Technology Co. Ltd. None of the circumstances set forth in Article 30 of the Company Law. Ms. Yi-Ling Lin has practical skills in corporate governance and business operations and management.	1. Holds 200,000 shares in The Company, amounting to 0.03% of its shareholders. 2. It has been verified in accordance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission that it still meets the relevant independence requirements.	0
Independent Director: Wen-Zai Yang	Graduated with a Master of the Institute of Finance, Chaoyang University of Technology. Director Wen-Zai Yang joined the Board of Directors in July 2017. Formerly served as the Supervisor of The Company, Director of Kaohsiung National Tax Administration, and Chairman of Penghu Cable TV Co., Ltd., Currently serving as Independent Director of Kuan Yun Global Co., Ltd. Mr. Wen-Zai Yang possesses the ability to analyze and manage corporate governance, financial accounting, and commerce, which will enhance the quality of corporate governance of the Board of Directors and the supervisory function of the Audit Committee. The current Independent	In accordance with the regulations of the Company's Articles of Incorporation and the "Corporate Governance Best Practice Principles", directors of the Company are elected through a nomination system. During the nomination and selection of the Board of Directors, we have obtained written declarations, work experience, current employment confirmations, and provided relationship forms from each director for verification. We have confirmed the independence of themselves, their spouses and relatives within the third degree of kinship from the Company. In addition, it has been verified that independent directors meet the qualification requirements set out in the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Issuing Companies" stipulated by the Financial Supervisory	1

	Director is in the third term of office and has not exceeded three terms, and no violations of the circumstances set forth in Article 30 of the Company Law have occurred.	Commission and Article 14-2 of the Securities and Exchange Act, both before their appointment and during their tenure. The Independent Directors have been fully empowered to participate in decision-making and express opinions according to Article 14-3 of the Securities and Exchange Act, thereby independently exercising their related duties.	
Independent Director: Jin-Bao Ye	Graduated from the Department of Education, National Taiwan Normal University. Director Jin-Bao Ye joined the Board of Directors in July 2017. Formerly served as the prosecutor of the Highest Court Prosecution Office. Mr. Jin-Bao Ye, with his expertise in law, will enhance the quality of corporate governance of the Board of Directors and the supervisory function of the Audit Committee. The current Independent Director is in the third term of office and has not exceeded three terms, and no violations of the circumstances set forth in Article 30 of the Company Law have occurred.	In accordance with the regulations of the Company's Articles of Incorporation and the "Corporate Governance Best Practice Principles", directors of the Company are elected through a nomination system. During the nomination and selection of the Board of Directors, we have obtained written declarations, work experience, current employment confirmations, and provided relationship forms from each director for verification. We have confirmed the independence of themselves, their spouses and relatives within the third degree of kinship from the Company. In addition, it has been verified that independent directors meet the qualification requirements set out in the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Issuing Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, both before their appointment and during their tenure. The Independent Directors have been fully empowered to participate in decision-making and express opinions according to Article	0

		14-3 of the Securities and Exchange Act, thereby independently exercising their related duties.	
Independent Director: Yu-Xin Zhuang	Graduated from Thunderbird School of Global Management with a Master's in International Management. Director Yu-Xin Zhuang joined the Board of Directors in July 2017. Formerly served as the manager of First Resistor Capacitor Co., Ltd. Miss Yu-Xin Zhuang possesses skills in corporate governance, financial accounting, and business analysis, which can improve the quality of corporate governance of the Board of Directors and the supervisory function of the Audit Committee. The current Independent Director is in the third term of office and has not exceeded three terms, and no violations of the circumstances set forth in Article 30 of the Company Law have occurred.	In accordance with the regulations of the Company's Articles of Incorporation and the "Corporate Governance Best Practice Principles", directors of the Company are elected through a nomination system. During the nomination and selection of the Board of Directors, we have obtained written declarations, work experience, current employment confirmations, and provided relationship forms from each director for verification. We have confirmed the independence of themselves, their spouses and relatives within the third degree of kinship from the Company. In addition, it has been verified that independent directors meet the qualification requirements set out in the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Issuing Companies" stipulated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, both before their appointment and during their tenure. The Independent Directors have been fully empowered to participate in decision-making and express opinions according to Article 14-3 of the Securities and Exchange Act, thereby independently exercising their related duties.	0

II. Diversity and Independence of the Board of Directors:

2.1 Diversification of the Board of Directors:

- (1) Since May 2017, The Company has adopted a candidate nomination system for the election of all directors; The Company approved the "Corporate Governance Code" at the Board of Directors meeting on November 9, 2017, in which a diversity policy has been formulated in Chapter 3, "Enhancing the Functions of the Board of Directors". The Shareholders' Meeting of 2016 passed the amendment to the "Director Election Method," which detailed the policy of diversified composition of the Board of Directors in Article 2. The nomination and selection of members of the Company's Board of Directors are in compliance with the Company's Articles of Incorporation. The nominee system is adopted. Besides assessing each nominee's education and experience qualifications, the views of stakeholders are also taken into consideration. The "Director Election Method" and "Corporate Governance Code" are complied with to ensure the diversity and independence of the Board members. According to the "Corporate Governance Best Practice Principles" of the Company, the structure of the Board of Directors should consider the scale of the company's business development and the shareholding situation of its major shareholders, and decide the number of director seats to be between 7 to 11, with 3 seats for Independent Directors based on the needs of practical operations.
- (2) The composition of the Board of Directors should consider diversity and formulate appropriate diversification policies based on its operation, business model and development needs. These should include but not limited to the following two main aspects of standards:
 - ① Basic condition and Value: Gender, Age, Nationality, and Culture, etc. The age range of the Company's directors is as follows: four (37%) are over 71 years old, two (18%) are between 61-70 years old, two (18%) are between 51-60 years old, and three (27%) are between 41-50 years old; there are three female directors (27%).
 - ② Professional Knowledge and Skills: Professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.
- (3) Board of directors members should generally possess the knowledge, skills, and qualities necessary for their duties. In order to achieve the ideal goal of corporate governance, the overall capabilities that the Board of Directors should possess are as follows:
 - ① Operational Decision-Making Ability.
 - ② Accounting and Financial Analysis Capabilities.
 - ③ Operating Management Ability.
 - ④ Crisis Handling Ability.
 - ⑤ Industry Knowledge.

- ⑥ International Market Outlook.
- ⑦ Leadership Ability.
- ⑧ Decision-Making Ability.

(4) Specific management objectives and implementation:

In accordance with the 33rd Board of Directors roster of the Company, all members possess the requisite knowledge, skills, and education necessary for the execution of their duties. They each possess extensive expertise in law, accounting and financial analysis, industry knowledge, marketing, business management, crisis management, operational judgment, and other relevant fields, meeting the desired standards. The Company also emphasizes gender equality within the composition of the board of directors. In this term, the number of female directors has been increased to three (27%), achieving our company's short-term goal. In future planning, the proportion of independent directors is planned to exceed 31%, contributing to the rejuvenation of the board and lowering the average age of directors.

(5) Implementation of diversity by the Board of Directors:

The members of the 33rd Board of Directors of the Company all have extensive knowledge in business management, operational judgment, and relevant industry knowledge. Their academic backgrounds include law, financial accounting, industry management, and business marketing. The Company will continue to assess the diversity and complementarity of the director members and implement diversified policies continuously. The implementation of the director's diversified policies is described in the following table.

Director's name	Gender	Independent Director has not exceeded 3 terms.	Diversified Core Expertise						
	Age		Law	Financial Accounting Analysis	Industry Knowledge	Marketing & Sales	Business Management	Crisis Management	Operating Judgment
Min-Tuan Chen	Male			✓	✓	✓	✓	✓	✓
	75-80 years old								
Kuan-Hua Chen	Male			✓	✓	✓	✓	✓	✓
	45-50 years old								
Yan-Hui Wu	Male				✓		✓	✓	✓
	70-75 years old								
Hsin-Han Huang	Male			✓	✓		✓	✓	✓
	55-60 years old								
Li-Xiang Zheng	Male			✓	✓	✓	✓	✓	✓
	50-55 years old								

Director's name	Gender	Independent Director has not exceeded 3 terms.	Diversified Core Expertise						
	Age		Law	Financial Accounting Analysis	Industry Knowledge	Marketing & Sales	Business Management	Crisis Management	Operating Judgment
Zhao-Xiong Yang	Male				✓	✓	✓	✓	✓
	65-70 years old								
Shu-Fang Zhong	Female			✓	✓		✓	✓	✓
	65-70 years old								
Yi-Ling Lin	Female				✓		✓	✓	✓
	40-45 years old								
Wen-Zai Yang	Male	✓		✓	✓		✓	✓	✓
	80-85 years old								
Jin-Bao Ye	Male	✓	✓					✓	✓
	80-85 years old								
Yu-Xin Zhuang	Female	✓		✓			✓	✓	✓
	45-50 years old								

2.2 Independence of the Board of Directors:

(1) Structure of the Board of Directors:

The Company has established a system for the nomination of directors. The process of electing all directors is public and fair, in accordance with the Company's "Company Articles of Incorporation," "Director Election Procedures," "Corporate Governance Best Practice Principles," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and "Article 14-2 of the Securities Exchange Act," among others. The current Board of Directors is made up of 3 Independent Directors (27%) and 8 Non-independent Directors (73%). Of these, 2 seats are occupied by Directors with the status of employee/managerial officer (18%, not exceeding one-third of the total number of board seats). Among all directors, 2 seats are occupied by those who have a spouse or relatives within the second degree of kinship (18%), in compliance with the provisions of Paragraphs 3 and 4 of Article 26-3 of the Securities Exchange Act.

(2) The Board of Directors has independence:

The Board of Directors of the Company guides the corporate strategy, oversees the management level, and is responsible for the Company and the shareholders. In all business operations and arrangements of the corporate governance system, the Board of Directors executes its duties in accordance with laws, company articles, or

resolutions of the Shareholders' Meeting. The Board of Directors of the Company emphasizes the functions of independent operation and transparency. Both Directors and Independent Directors are independent entities and exercise their authorities independently. The three Independent Directors also comply with relevant laws and regulations, in conjunction with the authority of the Audit Committee, to scrutinize the company's control over existing or potential risks, thereby effectively supervising the implementation of internal control in the company, the appointment (or dismissal) and independence of Certified public accounts, and the proper preparation of financial statements. Furthermore, according to the Company's "Director Election Regulations", the election of directors and independent directors follows the cumulative voting system and the candidate nomination system to encourage shareholder participation. Shareholders holding a certain number of shares can propose a candidate list. The conditions for candidate eligibility review and whether there is a violation of the various provisions listed in Article 30 of the Company Law are confirmed. All related acceptance procedures are conducted and announced in accordance with the law to protect shareholder rights, to avoid monopoly or excessive abuse of the nomination rights, and to maintain independence.

The company has established a performance evaluation system for the Board of Directors, which carries out an internal self-assessment of the Board of Directors and a self-assessment of board members once a year. The performance evaluation of the Board of Directors includes five major aspects, including Participation in the operation of the company, quality of board decision-making, Composition and structure of the board, appointment and continuing education of directors, and Internal control. In the self-assessment of board members, it includes six major aspects: Alignment of the Company's objectives and tasks, directors' perception of duties, Participation in the operation of the company, Internal relationship management and communication, Professionalism and continuing education of directors, and Internal control. The self-evaluation results mentioned above were disclosed in the Company's annual report and website after they were reported to the Board of Directors.

Additionally, to let the public fully understand the other operational aspects of the Company's Board of Directors, related information has also been revealed in the Annual Report of the Company, on the official website, or Market Observation Post System of Taiwan Stock Exchange.

- ♦ The attendance situation of the Board of Directors members at meetings;
- ♦ Board of Directors proposals and resolutions;
- ♦ Situation of directors' continuing education;
- ♦ Changes in the shareholding of the board members (ownership, transfer of shares, and pledge of rights, etc.) (please refer to the Taiwan Stock Exchange Market Observation Post System).

(II) Information on presidents, vice presidents, assistant vice presidents, and officers of departments and branches:

April 30, 2024

Title	Nationality	Name	Gender	Date of Assignment	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in other companies	Managerial officers with spouses or relatives within the second degree of kinship		
			Age		No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relationship
President	Taiwan	Yan-Hui Wu (Acting)	Male	April 2023	1,718	0	0	0	0	0	Graduated from the Department of Mining and Metallurgy, Taipei Industrial College	Southeast Investment Director	None	None	None
			71-75 years old												
Finance Department Vice President	Taiwan	Hsin-Han Huang	Male	April 2023	0	0	0	0	0	0	Graduated from the Institute of Business Administration, Tunghai University	Southeast Topgood Supervisor	None	None	None
			55-60 years old												
Business Department Vice President	Taiwan	Jung-Tsung Tang	Male	April 2023	445	0	0	0	0	0	Graduated from Tunghai University	Tiansheng Concrete Director	None	None	None
			55-60 years old												
Management Department Manager	Taiwan	Zhong-Jie Zhao	Male	April 2023	0	0	0	0	0	0	Graduated from the Department of Sociology, National Taiwan University	Southeast Investment Supervisor	None	None	None
			60-65 years old												
Special Assistant	Taiwan	Zhang-Li Guo	Male	January 2024	0	0	0	0	0	0	Graduated from Cheng Shiu University	Southeast Topgood Director	None	None	None
			65-70 years old												

III. Remuneration paid in the recent year to Directors, Presidents and Vice Presidents

1. Remuneration of General Directors and Independent Directors (disclosed individually with name and remuneration):

Unit: NT\$1,000

Whether there are remunerations received from investee enterprises other than subsidiaries or from the parent company		None		None		Remuneration received by directors for concurrent service as an employee																Sum of A+B+C+D+E+F+G and ratio to net income																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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						Expenses and perquisites (D)				Director profit-sharing compensation (C) (Note 1)				Retirement pay and pension (B)				Base compensation (A)				Employee profit-sharing compensation (G)				Retirement pay and pension (F) (Note 2)				Salary, rewards, and special disbursements (E)				All consolidated entities				The Company																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
Name		Job title		Chairman		Director		Vice Chairman		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated 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Whether there are remunerations received from investee enterprises other than subsidiaries or from the parent company		Sum of A+B+C+D+E+F+G and ratio to net income										Remuneration received by directors for concurrent service as an employee										Sum of A+B+C+D and ratio to net income																																																																																																																																																																																																																																																																																																																																																																																																																																																	
		All consolidated entities				The Company				Employee profit-sharing compensation (G)		Retirement pay and pension (F) (Note 2)		Salary, rewards, and special disbursements (E)		Sum of A+B+C+D and ratio to net income																																																																																																																																																																																																																																																																																																																																																																																																																																																							
Name		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 1)		Expenses and perquisites (D)		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All	

Job title	Name	Whether there are remunerations received from investee enterprises other than subsidiaries or from the parent company																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
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Sum of A+B+C+D and ratio to net income				Expenses and perquisites (D)				Director profit-sharing compensation (C) (Note 1)				Retirement pay and pension (B)		Base compensation (A)		All consolidated entities				The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated entities		The Company		All consolidated 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1. Policy, system, standards, and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed:

The full travel and remuneration of all directors (including independent directors) of the company shall be provided in accordance with Article 31 of the Company's Articles of Incorporation. The Remuneration Committee will refer to the usual level of payment in the industry, director performance evaluation results (including the mastery of the company's objectives and tasks, director duties perception, participation in the operation of the company, internal relationship management and communication, professionalism and continuing education of directors, six aspects of internal control), and the value of contributions. After the evaluation, it will be decided by the Board of Directors. In addition, if the company makes a profit in the current year, it is also specifically stipulated in Article 37 of the company's Articles of Incorporation that no more than 3% of the annual profit will be allocated as director remuneration, and independent directors do not participate in the distribution of director remuneration.

2. Except as disclosed above, the remuneration for the directors of the Company for providing services (such as serving as a consultant for parent company/all companies in the financial statements/investment businesses, not as an employee) in the most recent year: None.

Note 1: Director remuneration for 2023 is a proposed number.

Note 2: The actual amount of the retirement payment in 2023 is NT\$0 thousand; the respective allocations recognized as retirement benefit expenses are NT\$363,000 and NT\$396,000 respectively.

Remuneration Level Table

Remuneration ranges for the directors of the Company	Director's name			
	Total amount of the first 4 remunerations (A+B+C+D)		Total amount of the first 7 remunerations (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements H	The Company	All companies in the financial statements I
Less than NT\$1,000,000	Min-Tuan Chen Yan-Hui Wu Kuan-Hua Chen Chang-Zhi Wu Li-Xiang Zheng Zhao-Xiong Yang Shu-Fang Zhong Yi-Ling Lin Wen-Zai Yang Jin-Bao Ye Yu-Xin Zhuang	Min-Tuan Chen Yan-Hui Wu Kuan-Hua Chen Chang-Zhi Wu Li-Xiang Zheng Zhao-Xiong Yang Shu-Fang Zhong Yi-Ling Lin Wen-Zai Yang Jin-Bao Ye Yu-Xin Zhuang	Yan-Hui Wu Li-Xiang Zheng Zhao-Xiong Yang Shu-Fang Zhong Yi-Ling Lin Wen-Zai Yang Jin-Bao Ye Yu-Xin Zhuang	Yan-Hui Wu Li-Xiang Zheng Zhao-Xiong Yang Shu-Fang Zhong Yi-Ling Lin Wen-Zai Yang Jin-Bao Ye Yu-Xin Zhuang
NT\$1,000,000 (inclusive) - NT\$2,000,000			Chang-Zhi Wu	Chang-Zhi Wu
NT\$2,000,000 (inclusive) - NT\$3,500,000			Kuan-Hua Chen	Kuan-Hua Chen
NT\$3,500,000 (inclusive) - NT\$5,000,000			Min-Tuan Chen	Min-Tuan Chen
NT\$5,000,000 (inclusive) - NT\$10,000,000				
NT\$10,000,000 (inclusive) - NT\$15,000,000				
NT\$15,000,000 (inclusive) - NT\$30,000,000				
NT\$30,000,000 (inclusive) - NT\$50,000,000				
NT\$50,000,000 (inclusive) - NT\$100,000,000				
More than NT\$100,000,000				
Total				

2. President and Vice President's Remuneration (Individual disclosure with name and remuneration) :

December 31, 2023

Unit: NT\$1,000

Title	Name	Salary (A)		Severance and pension (B) (Note 1)		Bonus and allowance (C)		Remuneration for employees (D)				A, B, C, and D as a % of the net profits after tax				Is there any Remuneration from invested enterprises outside subsidiaries or from the parent company?
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements			
								Cash amount	Stock amount	Cash amount	Stock amount					
President	Yan-Hui Wu (Acting)	1,041	1,041	54	54	214	214	175	0	175	0	1,484	0.99	1,484	0.99	None
Finance Department Vice President	Hsin-Han Huang	821	821	50	50	168	168	170	0	170	0	1,209	0.81	1,209	0.81	None
Business Department Vice President	Jung-Tsung Tang	853	853	52	52	164	164	170	0	170	0	1,239	0.83	1,239	0.83	None
Management Department Manager	Zhong-Jie Zhao	706	706	42	42	135	135	157	0	157	0	1,040	0.70	1,040	0.70	None
Special Assistant	Zhang-Li Guo	830	830	50	50	216	216	167	0	167	0	1,263	0.84	1,263	0.84	None

Note 1: The actual amounts of retirement pensions paid and allocated as retirement pension expenses for 2023 were NT\$248,000 and NT\$248,000 respectively.

Remuneration Level Table

Remuneration ranges for the Presidents and Vice Presidents of the Company	Name of President or Vice President	
	The Company	All companies in the financial statements
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive) - NT\$2,000,000	Yan-Hui Wu Hsin-Han Huang Jung-Tsung Tang Zhong-Jie Zhao Zhang-Li Guo	Yan-Hui Wu Hsin-Han Huang Jung-Tsung Tang Zhong-Jie Zhao Zhang-Li Guo
NT\$2,000,000 (inclusive) - NT\$3,500,000		
NT\$3,500,000 (inclusive) - NT\$5,000,000		
NT\$5,000,000 (inclusive) - NT\$10,000,000		
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000		
NT\$30,000,000 (inclusive) - NT\$50,000,000		
NT\$50,000,000 (inclusive) - NT\$100,000,000		
More than NT\$100,000,000		
Total		

3. The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution:

Unit: NT\$1,000

	Title	Name	Stock amount	Cash amount (Note)	Total	Total amount as a % of the net profits after tax (%)
Managerial Officer	The Vice President of Production serves as the Acting President.	Yan-Hui Wu	0	1,306	1,306	0.87
	Finance Department Vice President	Hsin-Han Huang				
	Business Department Vice President	Jung-Tsung Tang				
	Management Department Manager	Zhong-Jie Zhao				
	Special Assistant	Zhang-Li Guo				

Note: The employee compensation for 2023 is a proposed figure.

(III) The Company and all companies in the consolidated financial statements have paid the total remuneration to the Company's Directors (including Independent Directors), President and Vice presidents as a % of the net profits after tax in the past 2 years. The analysis, policies, criteria and combination of remuneration, the procedures for determining remuneration and its correlation to operating performances and future risks are as follows:

The total remuneration paid to the Company's directors (including independent directors), president and vice president in the most recent two years as a % of net profits after tax:

Annual Remuneration Details Company	Director's remuneration		President and Vice President remuneration		Total	
	2023	2022	2023	2022	2023	2022
The Company	13.05%	11.30%	4.17%	2.57%	17.22%	13.87%
All companies in the consolidated financial statements	13.94%	12.24%	4.17%	3.00%	18.11%	15.24%

1. The total remuneration for directors (including independent directors) as a % of the net profits after tax in 2023 was higher than in 2022, due to an increase in the number of seats after the re-election of the directors at The Company in 2023. The total remuneration for the president and vice presidents as a percentage of the net profits after tax in 2023 was higher than in 2022, due to an increase in the number of senior executives at The Company.
2. The Company's policy, standards, and combination for remuneration are as follows:
 - (1) Directors' remuneration

The full travel and remuneration of all directors (including independent directors) of the company shall be provided in accordance with Article 31 of the Company's Articles of Incorporation. The Remuneration Committee will refer to the usual level of payment in the industry, director performance evaluation results (including the mastery of the company's objectives and tasks, director duties perception, participation in the operation of the company, internal relationship management and communication, professionalism and continuing education of directors, six aspects of internal control), and the value of contributions. After the evaluation, it will be decided by the Board of Directors. In addition, if the company makes a profit in the current year, it is also specifically stipulated in Article 37 of the company's Articles of Incorporation that no more than 3% of the annual profit will be allocated as director remuneration, and independent directors do not participate in the distribution of director remuneration.

(2) Managerial Officer Remuneration

The salary of the Company's managerial officers takes into account the time they invest, the responsibilities they bear, whether they achieve their goals, whether they hold other positions, and the salary rewards given to those in similar positions in recent years. Regardless of the Company's profit or loss, the salary should be paid. Furthermore, bonuses take into account evaluation items in the managerial officer's performance assessment, including achieving the Company's business objectives, the financial status of the Company, and the rationality of the individual's contribution to the company's operational performance and future risks. The remuneration is delivered to the Board of Directors for resolution after deliberation by the Remuneration Committee.

(3) Employees' Remunerations

The company is committed to providing employees with compensation and benefits at industry-average levels. While considering external competitiveness, internal fairness, and legal compliance, a competitive compensation system is offered, upholding the principle of profit sharing with employees to retain and motivate them. The salary structure for employees mainly includes base salary, job allowances, meal subsidies, performance bonuses, year-end bonuses, and employee benefits. Additionally, a 13-month salary guarantee is provided, with the distribution of performance bonuses tied to employee evaluations. Different weight ranges are set based on evaluation grades, and bonuses are disbursed after approval by supervisors. Pursuant to Article 37 of the company's articles of association, a minimum of 2% of annual profits is allocated for employee benefits. Until 2021 (inclusive), this allocation remained at 2%, but it was increased to 3% in both 2022 and 2023. The average salary adjustment rate in 2023 was 3.91%.

3. The correlation between the determination of remuneration and the operating performance and future risks:

Fixed salary and remuneration: None.

The directors' remuneration and dividends distribution from profits: positively correlated.

The relationship between the subject and future risks: None.

IV. Implementation of Corporate Governance

(I) The operation of the board of directors:

In the most recent year (2023), the Board of Directors held 7 meetings (A) and the attendance of directors as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) 【B/A】	Remarks
Chairman	Tong Shu Investments Corp. Representative: Min-Tuan Chen	7	0	100	Re-election of Director on June 21, 2023
Director	Chen Chao Shu Public Welfare Charity Foundation Representative: Kuan-Hua Chen	7	0	100	
Director	Tong Shu Investments Corp. Representative: Tian-Chi Chen (Former)	3	0	100	
	Tong Shu Investments Corp. Representative: Yan-Hui Wu (Newly appointed)	4	0	100	
Director	Chen Chao Shu Public Welfare Charity Foundation Representative: Chang-Zhi Wu	7	0	100	
Director	Li Kai Investment Co., Ltd. Representative: Li-Xiang Zheng (Former)	2	1	100	
	Li-Xiang Zheng (Newly appointed)	4	0	100	

Director	Evergreen Co., Ltd. Representative: Zhao-Xiong Yang (Former)	3	0	80	
	Fukang Cultural and Educational Foundation Representative: Zhao-Xiong Yang (Newly Appointed)	4	0	100	
Director	Southeast Cultural Foundation Representative: Jian-Hao Chen (Former)	2	1	100	
	Southeast Cultural Foundation Representative: Shu-Fang Zhong (New appointed)	4	0	100	
Director	Yi-Ling Lin (Newly appointed)	4	0	100	
Independent Director	Wen-Zai Yang	7	0	100	
Independent Director	Jin-Bao Ye	7	0	100	
Independent Director	Yu-Xin Zhuang	7	0	100	
Other matters to be recorded:					
1) If the operation of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described: (1) Matters specified in Article 14-3 of the Securities and Exchange Act.					
Meeting Date	Session	Proposal content	All Independent Director's opinions	Handling of the Opinions of the Independent Director	

2023.03.14	32nd Session, No.18th	1. Amended some provisions of the "Corporate Governance Best-Practice Principles" 2. Amendment to partial provision of the "Sustainable Development Best Practice Principles" 3. Proposed the provisions of the "Operational Procedures for Financial and Business Dealings Among Affiliates" 4. It is proposed to endorse and guarantee a amount of NT\$335,580,000 for Southeast Topgood Resources Recycling Co., Ltd., a subsidiary of the company with 51% direct and indirect shareholding.	All Independent Directors approved.	None	
2023.05.11	32nd Session, No. 19th	1. Proposed reduction of the area rented from Zheng Tai Cement Factory Co., Ltd. for the storage of raw materials by 5,318 square meters. 2. Case of changing the CPA for certifying the financial reports 3. The Company has preliminarily agreed with Crowe (TW) CPAs on the service fee of 1.7 million per year for the period between 2023 to 2024. 4. Amendment to partial provision of the "Board of Directors Meeting Procedure" 5. Amended some provisions of the "Corporate Governance Best-Practice Principles"	All Independent Directors approved.	None	

2023.11.09	33rd Session, No. 3rd	1. The proposal for a loan of NTD 100 million to Dongni Construction Co., Ltd., a wholly-owned Subsidiary of The Company, is under consideration. 2. The proposal to terminate the original lease contract and agreement with Chung Tai Cement Plant Co., Ltd. in advance on September 30, 2024, and to reduce the monthly rent to NT\$750,000 (excluding tax) from October 1, 2023.	All Independent Directors approved.	None
2023.12.05	33rd Session, No. 4th	1. The Company plans to sign a new construction contract for a collective housing project at No. 763, Baynei Section, Sanmin District, Kaohsiung City with Da Yang Construction Co., Ltd., a subsidiary wholly owned by the Company. 2. The Company's wholly owned Subsidiary, Da Yang Construction Co., Ltd, plans to issue 2 million new Shares at NT\$10 per share, raising a total of NT\$20 million. 3. Propose to authorize the Chairman to purchase real estate within the total amount of NTD 200 million, the transaction is limited to cases involving non-related parties.	All Independent Directors approved.	None

(2) In addition to the above-mentioned matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: None.

- 2) In the implementation of a director's recusal for being an interested party in a proposal, the director's name, the proposal content, the recusal reasons, and his or her participation in voting should be stated: The 19th meeting in the 32nd Session of Board of Directors passed the proposal of "proposed reduction of land area of 5,318 square meters rented to Chung Tai Cement Plant Co., Ltd. for material storage". Director Li-Xiang Zheng, being an interested party, recused himself from the discussion and voting of this proposal.
- 3) The performance evaluation report of the Board of Directors in 2023 for the Company is as follows:

The 2023 Performance Evaluation Report of the Board of Directors, Southeast Cement Co., Ltd..

Evaluation cycle	Evaluation duration	Evaluation scope	Evaluation method	Evaluation content
Execute once a year	2023.01.01~2023.12.31	Board of Directors	Self-evaluation within the Board of Directors	The measurement items for the evaluation of the board's performance include 5 major aspects (45 indicators): Participation in the operation of the company, improvement in the quality of the board's decision-making, composition and structure of the board, election and continuing education of directors, and internal control.
Execute once a year	2023.01.01~2023.12.31	Individual Director	Board member self-evaluation	The evaluation of the board member's performance includes six aspects (23 indicators): Alignment of the Company's objectives and tasks, understanding of the director's responsibilities, participation in the operation of the company, internal relationship management and communication, professionalism and continuing education of directors, and internal control.
Execute once a year	2023.01.01~2023.12.31	Functional Committee	Board member self-evaluation	The evaluation of the functional committees' performance measures includes five major aspects (26 indicators): Participation in the operation of the company, Perception of functional committees' responsibilities, Improvement in the quality of the functional committee's decision-making, Composition and member appointment of functional committees, and Internal control.
4) Evaluation of the objective for enhancing the functions of the Board of Directors (establishing an audit committee, enhancing information transparency, etc.) and its implementation in the current year and the most recent year: (1) Amend the Rules of Procedure for Board of Directors Meetings as guidance for the operation of the Board of Directors. (2) Announce financial business information periodically or irregularly in accordance with laws and regulations.				

- (3) Establishment of the Remuneration Committee, formulation and regular review of the reasonableness of remuneration policies, systems, standards, and structures for directors and managerial officers, and submitting their recommendations to the Board of Directors for discussion.
- (4) Establishment of the Audit Committee, responsible for assessing the effectiveness of the internal control system, handling significant matters stipulated by the company or the competent authority, and submitting its recommendations to the Board of Directors for deliberation.
- 5) Evaluation result: The Company's Board of Directors operates well.

(II) The operation of the Audit Committee participating in the Board of Directors:

1. The State of Operations of the Audit Committee:

In the most recent year (2023), the Audit Committee held 6 meetings (A) with the attendance of independent directors as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Wen-Zai Yang	6	0	100	
Independent Director	Jin-Bao Ye	6	0	100	
Independent Director	Yu-Xin Zhuang	6	0	100	

Other matters to be recorded:

- Please refer to page 25 for the professional qualification and experience of Audit Committee members and related director information.
- If the operation of the Audit Committee is under any of the following circumstances, the date, term, proposal content, all independent directors' dissented opinions, qualified opinion, or material suggestion content, the resolution of the Audit Committee, the Company's handling their opinions should be described:
 - Matters specified in Article 14-5 of the Securities and Exchange Act.

Meeting Date	Session	Proposal Content	Independent Director's Dissented Opinions	Qualified Opinion and Content of the Significant Proposed Item	Audit Committee Resolution Result	Handling of the Audit Committee Members' Opinions
2023.03.14	2nd Session, No. 16th	1. The Company 2022 Annual statement of internal control system. 2. The Company 2022 Annual business report, individual financial report and consolidated financial report 3. Amended some provisions of the "Corporate Governance Best-Practice Principles" 4. Amendment to partial provision of the "Sustainable Development Best Practice Principles"	None	None	All Audit Committee members approved.	None

		5. Proposed the provisions of the "Operational Procedures for Financial and Business Dealings Among Affiliates" 6. It is proposed to endorse and guarantee a amount of NT\$335,580,000 for Southeast Topgood Resources Recycling Co., Ltd., a subsidiary of the company with 51% direct and indirect shareholding.				
2023.05.11	2nd Session, No. 17th	1. Proposed reduction of the area rented from Zheng Tai Cement Factory Co., Ltd. for the storage of raw materials by 5,318 square meters. 2. Case of changing the CPA for certifying the financial reports 3. The Company has preliminarily agreed with Crowe (TW) CPAs on the service fee of 1.7 million per year for the period between 2023 to 2024. 4. Amendment to partial provision of the "Board of Directors Meeting Procedure" 5. Amended some provisions of the "Corporate Governance Best-Practice Principles"	None	None	All Audit Committee members approved.	None
2023.08.10	3rd Session, No. 1st	1. The Company's 2022 Q2 consolidated financial report	None	None	All Audit Committee members approved.	None

2023.11.09	3rd Session, No. 2nd	1. The proposal for a loan of NTD 100 million to Dongni Construction Co., Ltd., a wholly-owned Subsidiary of The Company, is under consideration. 2. The proposal to terminate the original lease contract and agreement with Chung Tai Cement Plant Co., Ltd. in advance on September 30, 2024, and to reduce the monthly rent to NT\$750,000 (excluding tax) from October 1, 2023. 3. The Company's 2024 Internal Audit Operation Inspection Plan Report Case	None	None	All Audit Committee members approved.	None
2023.12.05	3rd Session, No. 3rd	1. The Company plans to sign a new construction contract for a collective housing project at No. 763, Baynei Section, Sanmin District, Kaohsiung City with Da Yang Construction Co., Ltd., a subsidiary wholly owned by the Company. 2. The Company's wholly owned Subsidiary, Da Yang Construction Co., Ltd, plans to issue 2 million new Shares at NT\$10 per share, raising a total of NT\$20 million.	None	None	All Audit Committee members approved.	None

		3. Propose to authorize the Chairman to purchase real estate within the total amount of NTD 200 million, the transaction is limited to cases involving non-related parties.				
(2) In addition to the previous matters, other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all directors: None. (3) Summary of the key tasks of the Audit Committee: 1. Establish or amend the Internal control system in accordance with the provisions of Article 14-1. 2. The appraisal of the effectiveness of the internal control system. 3. Establish or revise the handling procedures for significant financial business activities such as acquisition or disposal of assets, engaging in derivative transactions, lending funds to others, making endorsements or providing guarantees for others, as stipulated in Article 36-1. 4. Review matters involving the director's own interests. 5. Review significant asset or derivative transactions. 6. Review significant funds loans, endorsements, or guarantees. 7. Review the collection, issuance, or private placement of securities with equity nature. 8. Review the appointment, dismissal, or remuneration of auditors. 9. Review the appointment and dismissal of finance, accounting, or internal audit officers. 10. Review the annual and semi-annual financial reports. 11. Review the other significant matters stipulated by the company or regulatory authorities. <u>Audit financial report.</u> The Board of Directors has prepared the 2023 Business Report, Financial Statements (including individual and consolidated financial statements), and a proposal on earnings distribution, etc. for the Company; the Financial Statements have been audited by Qing-Lin Li, Ling-Wen Huang Accountant of Crowe (TW) CPAs as commissioned, and the auditor's report has been presented. The above-mentioned business reports, financial statements, and proposals for the allocation of profits have been reviewed by the Audit Committee and are deemed without discrepancy. 3) In the implementation of an independent director's recusal for being an interested party in a proposal, the independent director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated: None. 4) Communication between independent directors, internal audit officer and CPA (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included): (1) The Company's internal audit officer reports the audit results to the Audit Committee members every month. If there are special circumstances, it will report to the Audit Committee members in time. There were no such special circumstances in 2023. The Audit Committee members and the internal audit officer of The Company communicate well. (2) The Company's CPAs communicate with the Audit Committee on audit planning at the beginning of each year, periodically report the results of financial statements audit or review for the year and half-year as well as Matters communicated related to other legal requirements. In case of special circumstances, they would promptly report to the members of the Audit Committee. There were no such special circumstances in 2023. The Company's Audit Committee members have good communication with the CPAs.						

2. The participation of supervisors in the operation of the Board of Directors:
The Company has established the Audit Committee to replace the Supervisor after the shareholders' meeting in 2017.

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Evaluation Items	The State of Operations			Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
	Yes	No	Summary Description	
[1]. Is the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	Yes		The Company has established the "Corporate Governance Best Practice Principles" based on the following principles: 1. to protect shareholders' rights and interests, 2. to strengthen the functions of the Board of Directors, 3. to respect the rights and interests of stakeholders, 4. to enhance information transparency, and to adopt rules on meeting procedures and the methods for the selection of directors, etc.	None
[2]. The Company's equity structure and shareholder equity (1) Has the Company established internal operating procedures to handle shareholder	Yes		(1) If shareholders have any suggestions or disputes related to Stock Affairs and report	None

recommendations, doubts, disputes, litigations, and implemented them according to the procedures?			them to the company, there are dedicated personnel and shareholder service agencies to handle shareholder suggestions, doubts, disputes, and litigation matters.	
(2) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	Yes		(2) The Company timely grasps the list of major shareholders and controllers, and discloses it monthly as required.	None
(3) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	Yes		(3) The Company has established measures for loans, endorsements, guarantees, or business transactions with related companies, strictly controlling risks. The Company has a dedicated unit responsible for the management of invested companies. The unit regularly monitors the operation and financial status of the investee companies, and is responsible for communication and coordination of related work.	None
(4) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed	Yes		(4) The Company has established regulations such as the "Code of Ethical Conduct", "Employee Code of Ethical Conduct", and	None

information on the market?			"Procedures for Handling Significant Internal Information and Preventing Insider Trading", all of which prohibit insiders from trading securities using undisclosed information on the market.	
[3]. Composition and responsibilities of the Board of Directors				
(1) Does the board of directors formulate diversified policies, and specific management objectives and implementation?	Yes		(1) The Company's Board of Directors approved the establishment of the "Corporate Governance Code" on November 9, 2017, which includes a policy of diversification in the third chapter "Strengthening the Functions of the Board of Directors". The Shareholders' Meeting of 2016 passed the amendment to the "Director Election Method," which detailed the policy of diversified composition of the Board of Directors in Article 2. Implemented according to policy objectives.	None
(2) Does the Company voluntarily establish functional committees other than the Remuneration Committee and the Audit Committee?	Yes		(2) The Company has legally established the Remuneration Committee and Audit Committee. In addition, the Board of Directors passed a resolution on May 10, 2024 to establish the	None

(3) Does the Company formulate a performance evaluation method and approaches for the Board of Directors, conduct performance evaluation annually and regularly, and report the performance evaluation results to the Board of Directors and apply it as a reference for the consideration of remuneration and nomination of each director?	Yes		"Sustainability Committee", actively promoting and strengthening sustainable development affairs. (3) The Board of Directors of The Company approved the "Methods of the Board of Directors Performance Evaluation" on November 8, 2019, stipulating that the Board of Directors, members of the Board, the Remuneration Committee, and the Audit Committee should execute performance evaluations at least once a year. The internal assessment should be conducted at the end of each year according to this method for the performance evaluation of the current year. The evaluation and measurement items of the Board of Directors' performance of The Company include the following five aspects: 1. Participation in the operation of the company. 2. Improvement in the quality of the board's decision-making.	None

			3. Composition and structure of the board. 4. Election and continuing education of directors. 5. Internal control. The measurement items for the Evaluation of the board member's performance include the following: 1. Alignment of the Company's objectives and tasks. 2. Perception of Director's responsibilities. 3. Participation in the operation of the company. 4. Internal relationship management and communication. 5. Professionalism and continuing education of directors. 6. Internal control. The measurement items for the performance evaluation of the Remuneration Committee include the following: 1. Participation in the operation of the company. 2. Perception of the Remuneration Committee's	

			responsibilities. 3. Improvement in the quality of the Remuneration Committee's decision-making. 4. Composition and member appointment of the Remuneration Committee. The measurement items for the performance evaluation of the Audit Committee include the following: 1. Participation in the operation of the company. 2. Perception of Audit Committee's responsibilities. 3. Improvement in the quality of the Audit Committee's decision-making. 4. Composition and member appointment of the Audit Committee. 5. Internal control. The evaluation is executed by the Board Secretariat, conducted through an internal questionnaire. It consists of four parts: the operation of the Board of Directors, director participation, the operation of the Remuneration Committee, and the	

			Audit Committee. The evaluation involves directors evaluating the operation of the board, directors assessing their own involvement, remuneration committee members evaluating the operation of the committee, and audit committee members assessing the operation of the committee. The aforementioned evaluation result will serve as a reference for the selection or nomination of directors, and the performance evaluation results of directors and members of functional committees will be used as a reference for determining their individual remuneration. After the questionnaires are collected in full every January, the Board Secretariat of the Company will analyze the results according to the aforementioned methods, report the results to the Board of Directors, and propose improvements based on the suggestions of the directors. The Company completed the	

(4) Does the Company regularly evaluate the independence of the attesting CPAs?	Yes		performance evaluation of the Board of Directors, Directors, Remuneration Committee, and Audit Committee in 2024, and reported the evaluation results and the direction to be further strengthened in the following year to the Board of Directors at the meeting held on March 14, 2024. The evaluation scores for this year range from 4.6 to 4.9, which are still good. The suggestions and improvements for the Board of Directors and functional committees are as follows: 1. Board of Directors: [4.6 points] Board recommendation: None. 2. Remuneration Committee: [4.9 points] Committee Suggestions: None. 3. Audit Committee: [4.8 points] Committee member suggestions: None. (4) The Company's Audit Committee evaluates the independence and suitability of the affiliated CPAs annually. In addition to	

			requesting the CPAs to provide a "Declaration of Absolute Independence" and "Audit Quality Indicators (AQIs)", it also evaluates based on the standards in Note 1 (Page 67) and 11 AQI indicators. It has been confirmed that apart from the fees for certification and financial and tax cases, the CPAs have no other financial benefits and business relationship with The Company. The CPAs' family members do not violate the independence requirements. In addition, by referring to the AQI indicator information, it is confirmed that the CPAs and their firm have auditing experiences better than the average of their peers. Also, the accountants have a lower workload for auditing public companies than their peers. The total hours invested by accountants in auditing is higher than the industry average. The evaluation result for the most recent fiscal year was discussed and approved	None

			by the Audit Committee on March 14, 2024; then it was reported to the Board of Directors for resolution on the same date regarding the assessment of the accountant's independence and suitability.	
[4]. Does the public listed company have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board of directors and shareholders' meeting related matters in accordance with law, and preparing minutes of board of directors and shareholders'	Yes		The Company, as resolved by the Board of Directors on November 10, 2020, assigned Vice President Hsin-Han Huang to serve as the corporate governance officer to protect shareholder rights and enhance the function of the Board of Directors. Vice President Hsin-Han Huang has over 20 years of experience in financial executive roles in public companies. The primary responsibilities are to conduct board meetings and shareholder meetings in accordance with law, prepare minutes of Board of Directors and Shareholders' Meeting, assist directors in taking office and continuous professional development, provide information necessary for directors to perform their duties, assist directors in complying with laws and regulations, etc.	None

meetings)?				
[5]. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	Yes		The Company has established efficient communication channels with stakeholders: (1) Shareholders: 1. The Shareholders' Meeting is held in the second quarter of each year, with each proposal voted on individually. Investors can fully participate in the voting process of the proposals. 2. The annual report and operation report for shareholders' meeting are issued every year for investors to enquire online or request for hard copies. 3. The company announces the revenue of the previous month on the Market Observation Post System and company website every month. (2) Employees: Employee education and training (annually), Employee Welfare Committee, Occupational Safety and Health Committee (every three months). (3) Community and Regions: Provide social welfare and donations for promoting friendly relations with	None

			neighbors. (4) Customer: 1. Customer satisfaction surveys (annually), quality assurance, market research, regular and irregular visits, customer interviews, etc., are used to obtain customer feedback information. 2. Strengthen technical services, actively market technologies, respond to customer needs in a timely manner, and supply stable quality products. 3. Innovate and develop new products and new businesses to provide customers with higher quality and more comprehensive services. In addition, The Company's website has set up a Stakeholder Contact Section (http://www.southeastcement.com.tw/), which helps The Company understand the issues that stakeholders are concerned about and respond appropriately, and uses feedback from all walks of life as a way to continue to improve.	
[6]. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?	Yes		The company has appointed the Shareholder Service Agent Department of Yuanta Securities Co. Ltd. to handle the affairs of the Shareholders' Meeting.	None

[7]. Information Disclosure				
(1) Has the Company set up a website to disclose finance and business matters and corporate governance information?	Yes		(1) The Company utilizes its website and the Market Observation Post System of the exchange to regularly disclose the company's finances and major information. A Corporate Governance section is also established to disclose relevant information.	None
(2) Has the Company adopted other methods of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	Yes		(2) The company has assigned a dedicated person to be responsible for the collection and disclosure of company information, and has established a spokesperson and a deputy spokesperson. Besides, the complete meeting video link information of the corporate briefing is posted on the company's website.	None
(3) Does the Company announce and file annual financial statements within two months after the end of the fiscal year, and announce and file the financial statements for the		No	(3) The Company announces and submits annual financial statements within three months after the end of the fiscal year, and announces and submits the financial statements for the first, second and	

first, second, and third quarters and the monthly operating status prior to the prescribed deadline?			third quarters, and the monthly operating status before the prescribed deadline.		
[8]. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.): (1) Establish related personnel management measures in accordance with the law, allocate labor retirement funds, employee group insurance, and care for retired employees, to protect employees' rights and interests. (2) The Company has established employee consolation measures, established an Employee Welfare Committee, implemented employee mutual aid fund measures, and provides various employee benefits to take care of employees and their families. (3) The company entrusts the professional stock affairs agent, Yuanta Securities, with investor services, and honestly discloses company information according to legal provisions to safeguard the rights and interests of investors, and fully fulfills the corporate responsibility to shareholders. (4) Clearly define contracts and provide guarantees as needed to protect the rights of stakeholders. (5) The situation of directors' (including independent directors) continuing education:					
Title	Name	Time	Course Title	Hours	Total Hours
Chairman	Min-Tuan Chen	2023.05.22	Seminar on the Action plan for Sustainable Development of Listed Companies	3	6
		2023.06.09	2023 Year Prevention of Insider Trading Promotion Conference	3	
Director	Kuan-Hua Chen	2023.05.22	Seminar on the Action plan for Sustainable Development of Listed Companies	3	9
		2023.11.03	Corporate Governance - Information Security - Digital Financial Trends	3	

		2023.11.06	Corporate Governance-Sustainable Society-Local Revitalization and Circular Economy	3	
Director	Yan-Hui Wu	2023.07.04	2023 Cathay Sustainable Finance and Climate Change Summit	6	12
		2023.10.20	2023 Year Prevention of Insider Trading Promotion Conference	3	
		2023.10.27	Sustainability Practices Seminar	3	
Director	Li-Xiang Zheng	2023.03.27	Company Directors and Supervisors Training - "Corporate Resilience Taiwan Competitiveness"	3	6
		2023.07.18	2023 Transformation Finance and Sustainability Disclosure Seminar	3	
Director	Zhao-Xiong Yang	2023.10.13	2023 Year Prevention of Insider Trading Promotion Conference	3	6
		2023.12.27	Do you know the carbon accounting financial report?	3	
Director	Chang-Zhi Wu	2023.08.11	Insight into corporate fraud risks and prevention strategies from actual cases	3	6
		2023.10.20	2023 Year Prevention of Insider Trading Promotion Conference	3	
Director	Shu-Fang Zhong	2023.10.20	2023 Year Prevention of Insider Trading Promotion Conference	3	12
		2023.10.26 ~ 2023.10.27	Net Zero Sustainable Talent Development Program - Carbon Governance and Sustainable Ecosystem	9	
Director	Yi-Ling Lin	2023.07.04	2023 Cathay Sustainable Finance and Climate Change Summit	6	12
		2023.10.27	Family Charter and Family Office	3	
		2023.11.03	Litigation and Beyond - How to Write Dispute Resolution Clauses in Contracts Well?	3	

Independent Director	Wen-Zai Yang	2023.02.24	Comprehensive Intellectual Property Protection Strategy - Intellectual Property Layout with AI Assistance for Innovative Technology	3	6
		2023.05.05	Future of Control: Mastering the future with intelligent control of the future	3	
Independent Director	Jin-Bao Ye	2023.03.27	Company Directors and Supervisors Training - "Corporate Resilience Taiwan Competitiveness"	3	6
		2023.06.09	2023 Year Prevention of Insider Trading Promotion Conference	3	
Independent Director	Yu-Xin Zhuang	2023.03.27	Company Directors and Supervisors Training - "Corporate Resilience Taiwan Competitiveness"	3	9
		2023.07.04	2023 Cathay Sustainable Finance and Climate Change Summit	6	

(6) Situation of Further Education for Corporate Governance Supervisor:

Title	Name	Time	Course Title	Hours
Corporate Governance Officer	Hsin-Han Huang	2023.07.04	2023 Cathay Sustainable Finance and Climate Change Summit	6
		2023.10.26~2023.10.27	Net Zero Sustainable Talent Development Program - Carbon Governance and Sustainable Ecosystem	9

- (7) The Company adopts a comprehensive risk management and control system, formulates relevant management procedures and regulations, enabling management levels to clearly identify, measure, and effectively control various risks, including maintaining sufficient operating capital, conducting credit checks on customers, and evaluating suppliers.
- (8) The company, following the ISO 9001 regulations, implements quality policies and has established service management procedures, which carry out matters such as customer complaint handling and satisfaction surveys, followed by tracking and improvements, to achieve the goal of serving our customers.
- (9) The Company has purchased liability insurance for directors, independent directors, and managerial officers for USD 3 million.
- (10) In 2023, the total training hours for all directors reached 6 hours, while the training hours for the corporate governance officer also amounted to 12 hours.

These training sessions have significantly contributed to the enhancement of corporate governance within the company.

[9]. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved. (Company not included in the evaluation of Corporate governance.)

Regarding the improvements needed in the corporate governance evaluation:

Serial Number	Corporate Governance Evaluation Indicator	Improvement situation
1.2	Has the company established a written procedure for financial and business dealings with related parties, including management procedures for transactions such as purchase and sale of goods, acquisition or disposal of assets, and the requirement that significant transactions need to be approved by the Board of Directors and submitted for consent or reporting at the Shareholders' Meeting?	The Company has amended this regulation at the Board of Directors meeting in May 2024, and should adhere to the principles of fairness and reasonableness when conducting business with its affiliates.
1.14	Does the annual report disclose the status of implementation of the resolutions of the previous year's general shareholders' meeting?	The Company has improved the disclosure of the status of implementation of resolutions of the General Shareholders' Meeting (refer to page 125).
1.15	Has the Company established and disclosed on its website internal regulations that prohibit insiders such as directors or employees from trading securities with undisclosed market information? The content includes (but is not limited to) the prohibition of directors from trading their stocks during the thirty-day period before the announcement of the annual financial report and the fifteen-day period before the announcement of the quarterly financial report, as well as the description of the status of implementation?	The Company has revised this regulation at the Board of Directors meeting in May 2024, safeguarding the rights and interests of the Company's shareholders and implementing equal treatment of shareholders.
3.6	Does the company disclose the interim financial reports in English within two months after the deadline of the Chinese version of the interim financial report?	To intensify the disclosure of English-related information, The Company has planned to disclose the English version of the financial report for each quarter in 2024.
3.14	Does the annual report disclose the link between the performance evaluation and remuneration of directors and managerial officers?	The Company has improved the previously disclosed situation (refer to page 38).
3.21	Does the company's annual report voluntarily disclose the individual remuneration of the president and vice president?	The Company has improved the previously disclosed situation (refer to page 36).

Note 1: The Company's Board of Directors conducted an evaluation of the independence of the CPAs on March 14, 2024, and the Evaluation Items are detailed in the following table:

Evaluation Table of Auditing CPA's Independence and Suitability in 2024

(1) Assessment Unit: Board of Directors

(2) Evaluation Year: 2024

(3) Evaluation Date: 2024.03.14

(4) Evaluation of the Appointment of CPA Firm and Accountant:

Crowe (TW) CPAs / CPA Qing-Lin Li, CPA Ling-Wen Huang

(5) Evaluation items:

With reference to Article 47 of the CPA Act and the ROC's Norm of Professional Ethics for Certified Public Accountant No. 10 "Integrity, objectivity and independence".

Evaluation Items	Evaluation Result
1. The CPAs have no direct or significant indirect financial interest relationship with the Company.	☒ Yes ☐ No
2. The CPAs do not have significant close commercial relationships with the Company.	☒ Yes ☐ No
3. The CPAs had no potential employment relationship with the endorser/guarantor when auditing The Company.	☒ Yes ☐ No
4. The CPAs have no money lending transactions with the Company.	☒ Yes ☐ No
5. The CPAs have not received any significant gifts or presents from the Company and the Company's directors, managerial officers (the value of which exceeds the general social etiquette standards).	☒ Yes ☐ No
6. No CPAs has provided auditing services to the Company for seven consecutive years.	☒ Yes ☐ No
7. The CPAs do not hold any shares of The Company.	☒ Yes ☐ No
8. The CPA, their spouse, their dependents, and their audit team have not served as a Director, Managerial Officer, or any position that has a significant influence on the audit case of the Company in the past two years or during the audit period, and it's confirmed that they will not serve in aforementioned positions in future audit periods.	☒ Yes ☐ No
9. Has the CPA complied with the Norm of Professional Ethics for Certified Public Accountant No. 10 regarding independence, and obtained the "Independence declaration" issued by the CPA.	☒ Yes ☐ No
10. Does the signing accountant provide Audit Quality Indicator (AQI) information, including 11 indicators in four major dimensions such as professionalism, quality control, supervision, and innovation capability for reference.	☒ Yes ☐ No

(IV) Composition, Responsibilities and The State of Operations of the Remuneration Committee:

1. The Remuneration Committee is aimed at setting and routinely reviewing the policies, systems, standards and structures of performance evaluation and remuneration for directors and managerial officers, assisting the Board of Directors in regularly assessing and setting the remuneration for directors and managerial officers.

2. Information on the members of the Remuneration Committee:

Position	Name	Professional Qualification and Experience	Independence situation	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director (Chairperson)	Wen-Zai Yang	Note	1. Serving as the Independent Director of The Company. 2. No Shareholding in the Company and its affiliates. 3. The remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the past 2 years amounts to NT\$1,020,000.	2
Independent Director	Jin-Bao Ye	Note	1. Serving as the Independent Director of The Company. 2. No Shareholding in the Company and its affiliates. 3. The remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the past 2 years amounts to NT\$1,020,000.	0

Independent Director	Yu-Xin Zhuang	Note	1. Serving as the Independent Director of The Company. 2. No Shareholding in the Company and its affiliates. 3. The remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the past 2 years amounts to NT\$1,020,000.	0

Note 1: Refer to the Director's Professional qualification and experience on page 13

3. The State of Operations of the Remuneration Committee:

- (1) The Remuneration Committee of The Company has a total of 3 members.
- (2) Current term of office: From June 29, 2023 to June 20, 2026. There were three Remuneration Committee meetings (A) held in the most recent year. The qualifications and attendance of the Remuneration Committee members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy Times	Actual attendance rate (%) (B/A)	Remarks
Chairperson	Wen-Zai Yang	3	0	100%	None
Committee	Jin-Bao Ye	3	0	100%	None
Committee	Yu-Xin Zhuang	3	0	100%	None

Remuneration Committee	Proposal Content and Subsequent Handling	Resolution Results	The company's handling of the opinions of the Remuneration Committee
4th Session, No. 8th 2023.01.05	Review the case of Year 2022 year-end and performance bonus for managerial officers and above.	The proposal was unanimously approved by all the members present and was submitted to the Board of Directors for review.	Approved by the 17th meeting in the 32nd Session Board of Directors, implementation was carried out according to the resolution, and the

			required report to the competent authority has been completed on time.
4th Session, No. 9th 2023.05.11	Review of remuneration cases for the company's managerial and higher-level personnel.	The proposal was unanimously approved by all the members present and was submitted to the Board of Directors for review.	Approved by the 19th meeting in the 32nd Session Board of Directors, implementation was carried out according to the resolution, and the required report to the competent authority has been completed on time.
5th Session, No. 1st 2023.06.29	Election of the Chairperson for the 5th Remuneration Committee case.	Wen-Zai Yang was jointly elected as the Chairperson of the fifth Remuneration Committee.	Approved by the 1st meeting in the 33rd Session Board of Directors, implementation was carried out according to the resolution, and the required report to the competent authority has been completed on time.

Other matters to be recorded:

- 1) If the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee, the Board of Directors meeting date, terms, motion content, resolution result of the Board of Directors, and the company's handling of the Remuneration Committee's opinions should be stated (if the remuneration approved by the Board of Directors is superior to the recommendation of the Remuneration Committee, the difference and reasons should be stated): None.
- 2) The resolutions of the Remuneration Committee, if any member has records or written statements of opposition or reservation, should describe the date of the Remuneration Committee, the term, the motion content, all members' opinions, and how the members' opinions were handled: None.

(V) The implementation of the sustainable development and its deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
[1]. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors?	Yes		To strengthen our commitment to sustainable development, the Board of Directors passed a resolution on May 10, 2024, to establish the "Sustainable Development Committee." The committee comprises directors and independent directors, with the General Manager appointed as the Sustainability Officer. A dedicated Sustainability Task Force is established as a specialized unit to drive sustainable development initiatives. The task force, led by department heads, assesses opportunities and risks and formulates achievable objectives based on these assessments to implement the company's sustainable development goals. It convenes regular and ad-hoc meetings to discuss risk assessments related to environmental protection, social responsibility, and corporate governance issues, reporting its progress to the committee. The reports encompass annual execution	None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			status, performance discussions, and future work plans, with the outcomes presented to the Board of Directors.	
[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 or strategies?	Yes		The Company, guided by the principle of materiality, conducts risk assessments on social, environmental, and corporate governance issues related to the Company's operations, and formulates relevant risk management policies. With these policies, necessary precautionary measures can be swiftly implemented which enhances the resilience of the corporate body and maintains the sustainable operation of the Company. <u>Environmental issues:</u> (1) Since the Company stopped the 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	None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			cement production operations at the Kaohsiung Plant starting from the fourth quarter of 2023, and move to rent two cement silo tanks at the No. 45 pier of Kaohsiung Port, transitioning to a storage and distribution operation model. Therefore, this will further reduce the Quantity of electricity used. (3) In recent years, the Company has been striving towards the goals of using green energy, recycling, reusing, and energy conservation and carbon reduction. The 640KW solar panel was completed in 2021; old energy-consuming equipment has been replaced with new energy-saving and low-consumption devices, lights are switched off when not in use, and energy-saving lighting fixtures have been installed, reducing electricity usage by at	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			least 1% each year. The cooling water of equipment is recycled, wastewater from the factory is used for sprinkling on in-house roads, and sensor faucets have been installed to save water. Encouraging the recycling and reusing of paper, promoting waste sorting to reduce the total amount of waste, etc., monitoring, controlling and reviewing have been constantly conducted for adjustments, and significant results have been achieved. <u>Social issues:</u> (1) Employees: 1. The number of employees hired all complies with the regulations of the "Rights Protection Act for Persons with Disabilities" and the "Employment Rights Protection Act for Indigenous Peoples". 2. In the recruitment and employment of employees, there is	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			no discrimination or differential treatment due to personal factors; it also prohibits the employment of child labor under the Age of 16. 3. Emphasizing human resources and training, relevant training courses are planned annually according to the employees' positions and actual needs. 4. Establish the Occupational Safety Committee and regularly conduct health checks. 5. The company has established an Employee Self-Improvement Association, and regularly holds various employee welfare activities. (2) Supplier: Strengthen supply chain management and implement a long-term cooperation relationship with suppliers. At the same time, through	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			supplier evaluation, we choose the supplier that best meets the sustainable development goals of the Company. (3) Customers: 1. The Company collects and understands customer feedback through two methods: customer satisfaction surveys and actual visits for face-to-face discussions. These approaches are utilized to gather genuine responses from customers and serve as guidance for company improvement. 2. Building upon the previous point, the overall customer satisfaction in 2023 exceeded that of 2022. The Company will continue to enhance and improve the quality of service to customers based on information gathered from previous years. (4) Working Environment: 1. To identify and	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			evaluate the various types of hazards that may be caused by workspace and personnel operations, the "Southeast Cement Company Safety and Health Hazard Identification and Risk Assessment Procedure" has been established, aiming for continuous risk control and reducing the risks to the lowest. 2. Continuing from the above, all employees are required to undergo occupational safety-related education and training in order to reduce the risk caused by human oversight. (5) Community Plan: 1. Established "Chen Chao Shu Public Welfare Charity " and "C.S. Chen Charity Foundation", carrying out various public welfare activities. 2. Formed a Cross-Sea Medical team with Kaohsiung Veterans	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			General Hospital to promote the Cross-Sea Medical team to conduct free clinics in Penghu. 3. Regularly hold various charitable activities, such as blood donation, end-of-year care, assistance to remote island primary schools, and continue to hold community outreach activities with communities near our Kaohsiung factory, in order to fulfill our social responsibilities and coexist and co-prosper with the community. <u>Corporate Governance issue:</u> (1) The Company's website discloses information regarding finance, business matters, and corporate governance for shareholders and stakeholders to refer to; also, there are whistleblowing channels for internal and external personnel, with files provided by	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			whistleblowers encrypted for protection. (2) The Company maintains normal business development and maximizes shareholder interests, and also cares about customer rights, community public welfare and other issues, and values corporate social responsibility. (3) The highest governance unit of the Company is the Board of Directors, which comprises of 11 Directors (including 3 Independent Directors). A sound and efficient Board of Directors is the foundation of good corporate governance and the Board of Directors is also very attentive to the overall operational status of the Company, implementing corporate governance policies. (4) Stay informed about legal amendments and adheres to statutory regulations.	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
[3]. Environmental issues (1) Does the Company set up an appropriate environmental management system based on the characteristics of its industry?	Yes		(1) The Company's environmental management system is well established, it has passed and obtained the ISO 9001, as well as setting operation standards in accordance with monthly production plans the reuse rates of raw materials have been increased among other measures, to reduce the consumption of raw materials and energy, and subsequently lessening the impact on the natural environment.	None
	Yes		(2) The Company's primary sources of energy are electricity and heavy oil. To enhance energy efficiency and minimize environmental impact, the company consistently implements various energy-saving measures. These measures include upgrading old equipment, selecting energy-efficient products, and installing solar power generation systems.	None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(3) Does the Company evaluate the potential risks and opportunities of climate change to the business now and in the future, and take relevant countermeasures?	Yes		The Company actively explores the efficient utilization of energy, such as recycling cooling water for spraying in the factory perimeter environment and incorporating recycled desulfurized gypsum into the manufacturing process. These efforts are aimed at contributing to environmental sustainability. (3) The Company is supported by the Sustainable Development Management Team to effectively manage climate change. It applies the governance of climate risks and opportunities to its operations and asset management. The company references the "Task Force on Climate-related Financial Disclosures (TCFD)" report released by the International Financial Stability Board to assess and manage climate	None None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			change-related risks and opportunities. Facing the severity increase of environmental regulations and extreme weather events, there may be a decrease in production capacity, affecting operations. Additionally, stakeholder demands for greenhouse gas reduction and product energy efficiency standards may increase operational costs. To mitigate these risks, the company has implemented measures such as increasing the frequency of drainage pipeline clearance to reduce losses and transitioning its industries to lower greenhouse gas emissions in response to regulatory requirements and market demands. Detailed explanations of the Company's climate change risk and opportunity analysis are disclosed in its Sustainability Report.	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(4) Does the Company make statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years and formulate policies for greenhouse gas reduction, water consumption reduction or other waste management?	Yes		(Website: http://www.southeastcement.com.tw/index.php?q=csr) (4) The Company's Kaohsiung Plant has ceased the production process of cement clinker since 2017 and transformed into grinding operation. Starting from the second half of 2023, various production equipment will be gradually halted and the demolition of factory buildings will be carried out, with the complete plant expected to be demolished by the end of 2024. The shipping station at Kaohsiung Port terminal No. 45, which was rented in September 2023, officially commenced operations, with The Company transitioning into a cement channel dealer, operating by purchasing packaged cement products for delivery. The entire transformation process has also reduced the	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:																											
	Yes	No	Summary Description																												
			original greenhouse gas emissions (carbon emissions) by more than 97%, significantly advancing towards the goals of sustainable corporate development and future net-zero emissions. 1. Greenhouse gas emissions for the past two years: Unit: Metric Ton <table><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>Type One</td><td>2,570</td><td>2,207</td></tr><tr><td>Type Two</td><td>17,073</td><td>11,202</td></tr><tr><td>Unit Product Emission (CO2e/ton)</td><td>0.033</td><td>0.036</td></tr></table> 2. Water usage for the most recent two years: Unit: degree <table><tr><th>Year</th><th>2022</th><th>2022</th></tr><tr><td>Water Consumption</td><td>13,062</td><td>11,385</td></tr><tr><td>Water Intensity per Unit (Water Usage/ Production Tons)</td><td>0.0219</td><td>0.0306</td></tr></table> 3. Waste weight for the past two years: Unit: Metric Ton <table><tr><th>Year</th><th>2022</th><th>2022</th></tr><tr><td>Waste</td><td>51.14</td><td>49.66</td></tr></table>	Year	2022	2023	Type One	2,570	2,207	Type Two	17,073	11,202	Unit Product Emission (CO2e/ton)	0.033	0.036	Year	2022	2022	Water Consumption	13,062	11,385	Water Intensity per Unit (Water Usage/ Production Tons)	0.0219	0.0306	Year	2022	2022	Waste	51.14	49.66	
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Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
[4]. Social issues (1) Has the company formulated relevant management policies and procedures according to relevant laws and regulations and the International Bill of Human Rights?	Yes		(1) The Company adheres to the domestic labor laws and regulations to guarantee the legitimate rights and interests of employees. Furthermore, the spirit and basic principles of human rights protection under international human rights conventions such as the "United Nations Global Compact", the "United Nations Universal Declaration of Human Rights", and the "International Labor Organization's Declaration on Fundamental Principles and Rights at Work" are also observed. Consequently, the "Human Rights Policy of Southeast Cement Co., Ltd." has been established, which fully embodies the responsibility to respect and protect human rights and to treat all salaried colleagues with dignity and respect.	None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(2) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	Yes		(2) <u>Employee welfare programs</u> 1. The Employee Welfare Committee has been established to handle all welfare matters, with the company allocating more than two million dollars in welfare funds each year. This covers activities such as year-end parties, birthday gift vouchers, Labor Day gifts, and holiday gift vouchers, and has achieved excellent performance. 2. The company has established an Employee Self-improvement Association to provide direct benefits to employees, such as congratulatory and condolence money for employees and their immediate family members' marriage and funerals, emergency relief funds, hospitalization consolation money, interest-free loans, employee group insurance, free health check-ups, group	None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			employee travel subsidies, care for retired personnel, etc. The aim is to ensure that employees have no worries for the future. 3. The Company has established an Employee Training Committee to handle labor education, infuse new knowledge, cultivate business ethics and enhance technical levels and professional ethics. 4. In terms of vacation system, after continuing to work for a certain period, special vacation days are granted in accordance with Article 38 of the Labor Standards Law. Colleagues encountering situations such as child-rearing or serious illness, needing for a longer vacation, can also apply for unpaid leave to balance the needs of care for individuals and their families. 5. Workplace Diversity and Equality Employment of employees with	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			disabilities and foreigners Migrant workers, respect their cultural habits. Namely, ensuring that employees are not subjected to discrimination. Achieving fair treatment. Implementing reward criteria for equal pay for males and females, as well as equal promotion opportunities, promotes sustainable and inclusive economic growth. The average proportion of disabled employees in 2023 was 2%; the average proportion of female staff was 25%, and the average proportion of female executives was 33%. <u>The operating performance is reflected in the employees' remunerations.</u> The Company distributes employee remuneration based on the profit status of the year, according to Article 37 of the Company's Articles of Incorporation, no less than 2% of the annual profit is designated as employee	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(3) Does the Company provide a safe and healthy working environment for its employees and conduct regular safety and health education for employees?	Yes		remuneration. Up until and including the year 2021, the allocation for employee benefits remained at 2%. In both 2022 and 2023, it was increased to 3%. In 2023, the Company implemented an average annual salary adjustment rate of 3.91% for both managerial and non-managerial positions. Among these adjustments, the highest individual increase reached 24%. (3) The Company has a supervisor in charge of labor safety and health affairs. According to the number of factory employees, sufficient labor safety and health management staff are allocated. Every quarter, a factory-wide labor safety and health management committee meeting is regularly convened to jointly discuss, consider, coordinate and suggest measures to promote occupational safety and health management, so as to assist in overseeing and	None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:	
	Yes	No	Summary Description		
(4) Does the company have established an effective career development training program planned for employees?	Yes		recommending related planning for occupational health and safety. Additionally, in order to protect workers from hazards in the workplace and provide a healthy and comfortable work environment, fire drills for employees and hazard monitoring of the working environment are carried out twice every year, gradually understanding the exposure status of the workers.	None	
			2023		
			Training Item Name		Number of Trainees
			Fire Drill		67
			All-staff trained		67
			The frequency of disability injuries in 2023 was zero, and fire disasters were zero. In the future, efforts will be made to continue maintaining the goal of a zero-occupational disaster work environment.		
(4) The Company holds educational training annually and occasionally sends					

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(5) Does the Company comply with relevant laws and international standards, and formulate relevant right and interest protection policies and grievance procedures to deal with customers for products and services, such as customer health and safety, customer privacy, marketing and labelling, etc.?	Yes		employees to participate in external training. The external training hours in 2023 for all levels of supervisors was about 123 hours, and for general employees about 358 hours, with a total of approximately 481 hours. (5) The Company's operations have always complied with government laws and related industry norms. The Portland cement produced conforms to the CNS-61R2001 national standard and has obtained the conformity mark certificate for more than 50 years. In addition, all product labels are handled in accordance with national regulations. "Strengthening customer service, stabilizing quality level, and safeguarding customer rights, health and safety" is a consistent policy of The Company. Customers with any suggestions or	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(6) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	Yes		complaints about The Company or its products can directly contact the business department or express it in the "customer satisfaction survey". Upon receipt of a customer complaint, a dedicated person will handle it according to the ISO procedure and quickly provide the customer with a complete response. All procedures will comply with the Personal Data Protection Law. (6) The Company emphasizes establishing long-term cooperative relationships with suppliers and signing contracts to ensure supply chain stability and obtain better sources of raw materials, thereby enhancing competitiveness. Integrated systems have been established to evaluate suppliers based on factors such as "price," "quality," and "delivery time." Additionally,	None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			sustainability aspects, including compliance with regulations and environmental considerations, are assessed to select the most suitable domestic suppliers. This strengthens supply chain management efforts and contributes to sustainable development. For labor and service suppliers whose personnel are dispatched to work on-site, efforts are made to oversee and encourage collaboration partners to improve their employees' working conditions. Compliance with government regulations, including providing labor insurance, health insurance, and employer's liability insurance for employees, as well as adherence to safety and health guidelines established by the company, is mandatory. In 2023, supplier	

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			evaluations and audits were conducted across four categories: engineering, raw materials, equipment, and services. Criteria such as adherence to delivery schedules, compliance with quality regulations, and correctness of labor conditions were assessed. The evaluation results indicated good performance, with no non-compliant suppliers identified.	
[5]. Does the Company refer to the internationally accepted reporting standards or guidelines to prepare the sustainability reports for disclosing the Company's non-financial information? Has the aforementioned report obtained a confirmation or assurance opinion from a third-party verification unit?	Yes		The Company has referred to the GRI Sustainability Reporting Standards: 2021 version issued by the Global Sustainability Reporting Association, the Sustainability Disclosure Indicators of the Financial Supervisory Commission, and the Mining and Metals Industry Supplement, and referred to the Climate-Related Financial Disclosures and Sustainability Accounting Standards to compile the Sustainability Report, and it is published on the official website of the Company	None

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			(http://www.southeastcement.com.tw). "Sustainability" section; also in accordance with the regulations. The sustainability report will be disclosed in the Information Disclosure. Disclosures are made via the Market Observation Post System. No acquisition has been made yet. the assurance from third-party certifying institutions Assurance opinion.	
[6]. If the Company has the sustainable development best practice principles formulated in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the differences between its operation and the principles: None.				
[7]. Other important information that helps understand the promotion of sustainable development: ◆ The Company responds to the crucial environmental policy of "circular economy" by jointly investing with the environmental professional cleaning company, Topgood Corporation, to establish Southeast Topgood Resources Recycling Co., Ltd. The company's facility in Kaohsiung produces Controlled Low Strength Material (CLSM) using non-hazardous industrial waste after processing, thereby officially entering the resource recycling circular economy industry. Additionally, a new Dafa factory is being constructed in the Kaohsiung Dafa Industrial Zone, with completion expected in August, 2024. Trial operation is scheduled for October of the same year, with the anticipation of obtaining operational permits in the first quarter of 2025. The Dafa factory will accept general industrial waste, producing recycled concrete aggregate products, which will then be used to manufacture CLSM and other cement products at the Kaohsiung facility, achieving effective resource reuse.				

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
◆ The procurement of water-quenched blast furnace slag, a by-product generated during the smelting of pig iron in steel plants, for recycling and reuse is integral to our sustainability efforts. When mixed with cement to produce Portland blast cement, every ton of water-quenched blast furnace slag powder used in cement production can reduce approximately 0.95 metric tons of CO2 emissions. ◆ In 2021, the company leased its subsidiary's factory roof in Kaohsiung to install a 640kW solar photovoltaic system, which began generating electricity in September of the same year. This system produces approximately 677,490 kWh of green energy annually. Furthermore, the company plans to expand its solar photovoltaic system on the roof of its subsidiary's Dafa factory in 2024, advancing towards its carbon reduction goals.				

(VI) Climate-related Information Implementation Status:

Item	Implementation Status							
[1]. Explanation of the Board of Directors' and management's supervision and governance of climate-related risks and opportunities .	[1]. The Company resolved to establish the Sustainable Development Committee during the Board of Directors meeting on May 10, 2024, and authorized the committee to oversee the implementation of relevant sustainable development initiatives. The General Manager serves as the Chief Sustainability Officer, and a Sustainable Development Task Force has been established. This task force, comprising department heads, assesses climate change-related issues based on opportunities and risks, evaluates performance, impacts, and progress towards sustainable goals. It regularly convenes both scheduled and ad-hoc meetings to discuss these matters and reports the implementation progress to the Sustainable Development Committee. The outcomes of these discussions are subsequently presented to the Board of Directors. [2]. Upon evaluation, the primary climate-related risk items and opportunities for the company are as follows: <table><tr><td rowspan="2">Risk</td><td><u>Transition Risk</u> •Regulatory Risk (Long-term) •Strengthening emission reporting obligations (Medium to Long-term) •Uncertainty of new regulations (Long-term) •Changes in customer behavior (Medium-term) </td><td> • Regulatory risk related to climate change. • Compliance with the "Regulations Governing the Preparation and Submission of Sustainability Reports by Publicly Traded Companies" and the "Renewable Energy Development Act". • "Climate Change Adaptation Act". • Customer demands for monitoring and </td><td><u>Impact</u> • Energy allocation at operational sites may result in increased operating costs. • Installation of solar power generation systems to comply with regulatory requirements. • Resulting in increased operating costs. </td></tr><tr><td></td><td></td><td></td></tr></table>	Risk	<u>Transition Risk</u> •Regulatory Risk (Long-term) •Strengthening emission reporting obligations (Medium to Long-term) •Uncertainty of new regulations (Long-term) •Changes in customer behavior (Medium-term)	• Regulatory risk related to climate change. • Compliance with the "Regulations Governing the Preparation and Submission of Sustainability Reports by Publicly Traded Companies" and the "Renewable Energy Development Act". • "Climate Change Adaptation Act". • Customer demands for monitoring and	<u>Impact</u> • Energy allocation at operational sites may result in increased operating costs. • Installation of solar power generation systems to comply with regulatory requirements. • Resulting in increased operating costs.			
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[2]. Explanation of how identified climate risks and opportunities affect the business, strategies, and finances of the company (short-term, medium-term , long-term).								

			reducing carbon emissions, requiring commitment to join SBTi or other climate initiatives.	Impact on the future revenue growth momentum.
		<u>Physical Risk</u> Facing the impact of climate change (Short to Medium-term)	The Company's shipping station is located within the Kaohsiung port area, where the impact of natural disasters such as typhoons, rising sea levels, tsunamis, and earthquakes has increased.	<u>Impact</u> Resulting in a decrease in shipment volume, affecting operations.
	Opportunity	Resource use efficiency (Medium-term)	The opportunities arising from the impact of climate change on the company may result in increased revenue by selling low-carbon cement.	Addressing climate adaptation needs through new solutions to enhance income.

Strategy:

The significant climate risks faced by the Company primarily stem from the demands of key stakeholders such as customers and investors for greenhouse gas reduction and adherence to product energy efficiency standards. Opportunities arising from climate change mainly manifest in product and service dimensions, with a focus on responding to market demand with energy-efficient products and services and developing new markets.

➔It is anticipated that by the end of 2024, plans for a new rooftop solar power generation system of 1,041KW will be implemented.

[3]. Explanation of the financial impact of extreme

[3]. Regarding extreme weather events (facing the impact of climate change) and transition actions (regulatory risk, strengthening emission reporting obligations, uncertainty of new regulations, changes in customer behavior), the financial impact is detailed as explained in the previous section.

weather events and transition actions. [4]. Explanation of how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system. [5]. Resilience assessment in the face of climate change risks through scenario analysis, including the scenario, parameters, assumptions, analysis factors, and major	[4]. • The Company collects external market, regulatory, technological, and physical climate future development trends, lists potential climate risks and opportunities the company may face, identifies significant climate risks and opportunities considering impact severity and occurrence probability. Then, relevant climate risks are translated into financial figures, with items causing annual financial impacts of over NT\$10 million considered impactful risks and opportunities. These are prioritized based on their likelihood and severity, and corresponding strategies are formulated. • Climate change is incorporated into the company's significant sustainability issues and key significant risk items. Risk management plans are implemented at the factory level, and response measures are planned for operational, product, and supply chain management aspects. [5]. Currently, the Company has not conducted scenario analysis.

financial impacts. [6]. If there are transformation plans to manage climate-related risks, describe the plan's contents and the indicators and goals used to identify and manage physical risks and transition risks. [7]. If internal carbon pricing is used as a planning tool, explain the pricing basis. [8]. If climate-related goals are set, explain the activities covered, scope of greenhouse gas	[6]. The Company has not yet planned a transformation project to address climate-related risks. [7]. The Company has not yet planned internal carbon pricing. [8]. The Company has not yet set climate-related goals.

emissions, planning timeline, annual progress, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, explain the source and quantity of carbon offsets or the quantity of RECs exchanged. [9]. Inventory and verification of greenhouse gases and reduction targets, strategies, and specific action plans (to be filled in sections 1-1 and 1-2).	[9]. Please refer to Appendix 1-1 and 1-2 for details on greenhouse gas inventory and verification.

1-1 Greenhouse Gas Inventory and Verification Status

1-1-1 Greenhouse Gas Inventory Information

Since 2013, the Company has conducted regular inventories of greenhouse gas emissions annually to monitor the usage and emission status of greenhouse gases and to verify the effectiveness of emission reduction actions.

The greenhouse gas inventory data for the past two years is as follows:

Basic information of the Company ☒ Companies with a capital of more than NT\$10 billion, steel industry, cement industry. ☐ Companies with capital of more than NT\$5 billion and less than NT\$10 billion. ☐ Companies with capital less than NT\$50 billion.		According to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies, at least the following should be disclosed: ☒ Inspection of the parent company's individual entity. ☐ Subsidiary inventory in consolidated financial statements.		
Southeast Cement Co., Ltd.	2022		2023	
	Total Emissions (metric tons CO2e)	Intensity (metric tons CO2e per million NT\$)	Total Emissions (metric tons CO2e)	Intensity (metric tons CO2e per million NT\$)
Scope 1 Direct greenhouse gas emissions	2,570	1.51	2,027	1.00
Scope 2 Indirect greenhouse gas emissions	17,073	10.03	11,202	5.55
Total	19,643	11.54	13,229	6.55

Note: The intensity of greenhouse gas emissions is calculated based on operating revenue (in million New Taiwan Dollars).

1-1-2 Greenhouse Gas Verification Information

In 2023, the Company conducted its first greenhouse gas inventory verification. The verification status is as follows:

Basic information of the Company ☒ Companies with a capital of more than NT\$10 billion, steel industry, cement industry. ☐ Companies with capital of more than NT\$5 billion and less than NT\$10 billion. ☐ Companies with capital less than NT\$50 billion.			According to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies, at least the following should be disclosed: ☒ Inspection of the parent company's individual entity. ☐ Subsidiary inventory in consolidated financial statements.		
Southeast Cement Co., Ltd.	2023				
	Total Emissions (metric tons CO2e)	Intensity (metric tons CO2e per million NT\$)	Verification Agency	Verification Status Description	
	Scope 1	2,026.9361	1.00	Ares International Certification Co., Ltd.	The 2023 greenhouse gas inventory data conforms to the ISO 14064-1:2018 standard specifications, with a reasonable assurance level for verification.
	Scope 2	11,202.1136	5.55		
	Scope 3 (Voluntary Disclosure)	2,494.1083	1.24		The 2023 greenhouse gas inventory data conforms to the ISO 14064-1:2018 standard specifications, with a limited assurance level for verification.

Note: The intensity of greenhouse gas emissions is calculated based on the operating revenue for 2023 (in

million New Taiwan Dollars).

1-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Greenhouse Gas Reduction Goals

- ➔ The Company annually reports greenhouse gas emissions in compliance with regulatory requirements, ensuring smooth and normal production and operation.
- ➔ The greenhouse gas emissions target for 2024 is set to be a 30% reduction compared to the emissions of 2023, with a gradual decrease each year, aiming to achieve net-zero emissions by 2050.

Greenhouse Gas Reduction Strategies

- ➔ Facing significant and serious environmental concerns, pollution prevention is an internationally recognized issue. Effective management of emissions from exhaust gases, wastewater, and waste is crucial due to their substantial environmental impact. The Company will address potential operational risks by implementing energy management and carbon reduction measures to comply with environmental regulations.
- ➔ Since the cessation of the M01 process in 2017, the company no longer emits greenhouse gases from its own clinker production. All clinker used for cement grinding is purchased externally from Taiwan Cement Corp. The company continues to pursue the 30% greenhouse gas reduction policy, expecting to achieve the target by 2024.

2023 Reduction Achievement Status

Energy Management

- ➔ Since the cessation of the M01 process, all clinker used for cement grinding has been externally purchased from Taiwan Cement Corp. In 2023, the total energy consumption decreased by 51.59% compared to 2022.

Greenhouse Gas Emissions Management

- ➔ The Company's greenhouse gas emissions in 2023 decreased by 31.74% compared to 2022.

Waste Management

- ➔ The Company actively promotes the reuse of waste in the circular economy to reduce waste disposal costs and facilitate resource recycling. During the coal combustion process at the thermal power plant, a large amount of desulfurization gypsum is

generated. The Company adds approximately 4.0% to 6.0% of recycled desulfurization gypsum. Over the past three years, the proportion of recycled materials has increased annually, reaching 5.60% in 2023.

OPINION STATEMENT



溫室氣體查證意見聲明書

2023年溫室氣體排放資訊

東南水泥股份有限公司

高雄市前金區五福三路21號4樓之一

經本公司依據 ISO 14064-3:2019 完成查證並符合下列標準要求
ISO 14064-1 : 2018

直接溫室氣體排放量
2,206.9361公噸二氧化碳當量
間接溫室氣體排放量
13,696.2219公噸二氧化碳當量
直接與間接溫室氣體排放量
15,903.158公噸二氧化碳當量

Opinion No.: ARES/TW/I2404010G
Date: 2024-04-02
Version: 01



意見中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。

批准:



ARES International Certification Co., Ltd.
No.12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City 708, Taiwan
TEL / 06-295 9696 (Rep. Line) FAX / 06-295 9667
www.ares-registration.com

意見書編號 Opinion No.: ARES/TW/I2404010G

【全部查證區域各類別溫室氣體排放量】

類別	溫室氣體排放量 (單位：公噸二氧化碳當量)	保證等級
類別一	2,206.9361	合理保證等級
類別二	11,202.1136	合理保證等級
類別三	32.0190	有限保證等級
類別四	2,462.0893	有限保證等級
類別五	NS	N/A
類別六	NS	N/A
直接與間接溫室氣體總排放量	15,903.158	

*NS: Non significant 不顯著；N/A: Not available 無判定

亞瑞仕國際驗證股份有限公司(以下簡稱 ARES)經由東南水泥股份有限公司(東南水泥)提出申請 ISO 14064-1:2018 查證，依據 ISO 14064-3:2019 之要求執行直接與間接溫室氣體排放量之查證，溫室氣體排放量涵蓋期間自 2023 年 01 月 01 日至 2023 年 12 月 31 日，查證意見內容說明如下：

保證等級

ARES 依據查證準則執行查證程序，證據結果顯示東南水泥提出之溫室氣體主張符合規定，未違反實質性差異門檻 5%，符合合理保證等級(類別 1-2)，有限保證等級(類別 3-6)。

查證目標

ARES 獨立客觀的取得支持溫室氣體主張揭露資訊的佐證，確保報告資訊符合準確性、完整性、一致性及透明度之準則，其內容無錯誤或遺漏之項目。

查證範圍

ARES 確認東南水泥依據 ISO 14064-1:2018 溫室氣體—第 1 部：組織層級溫室氣體排放與移除之量化及報告附指引之規範執行提出組織邊界及營運範圍內之人為活動溫室氣體排放量與相關標準要求之符合性，根據 ISO 14064-3:2019 準則提出上述保證意見涵蓋內容如下：

查證期間：2023 年 1 月 1 日至 2023 年 12 月 31 日

查證場址：

場區名稱 場區地址

• 總部	• 高雄市前金區五福三路 21 號 4 樓之一
• 高雄廠	• 高雄市楠梓區高楠公路屏山巷 1 號
• 碼頭	• 高雄市前鎮區大華三路 22 號

意見中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.

ARES International Certification Co., Ltd. No. 12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City 708, Taiwan

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意見書編號 Opinion No.: ARES/TW/I2404010G

查證溫室氣體種類：二氧化碳(CO₂)、甲烷(CH₄)、氧化亞氮(N₂O)、氫氟碳化物(HFCs)、全氟碳化物(PFCs)、六氟化硫(SF₆)、三氟化氮(NF₃)，並參照 IPCC 最新公布溫室氣體一覽表。

溫室氣體排放量計算之全球暖化潛勢(GWP)引用 IPCC 2021 第 6 次評估報告之全球暖化潛勢值，電力排放係數引用經濟部能源局公布之 2022 年電力排碳係數:0.495 公斤二氧化碳當量/度計算。

查證原則

ARES 執行第三方公正獨立客觀查證溫室氣體主張揭露資訊與現場相關佐證，確保報告資訊符合準確性、完整性、一致性及透明度之準則，其內容包含錯誤或遺漏之程度，符合性之實質性差異門檻判斷準則為 5%，查證過程包含文件審查、行前評估、抽樣計畫、證據蒐集，取得查證意見需要之資訊，確保溫室氣體排放量準確性。

保密性聲明

此報告及附件可能包含屬於東南水泥之機密資訊，未經東南水泥書面同意，其他個人、團體或公司禁止自行複製或發行。

利益衝突迴避聲明

此報告及附件內容完全依照主管機關之標準方法與程序等相關規定，秉持公正、誠實進行查證作業。絕無虛偽不實，如有違反，就政府機構所受損失願負連帶賠償責任之外，並接受主管機關依法令所為之行政處分及刑事處罰。本公司與受查證單位並無財務投資之關係，且符合主管機關對利益衝突迴避之要求。如有違反前述事實情事，經主管機關查證屬實時，此報告及附件內容願接受主管機關判定為無效之處分。

查證團隊

ARES 查證團隊依據公正獨立客觀查證過程，提出東南水泥之 2023 年 1 月 1 日至 2023 年 12 月 31 日溫室氣體排放量意見。

ARES 主導查證員：

戴啟祥

備註：本查證意見遵照 ARES 溫室氣體查證服務條款要求，意見書內容由亞瑞仕國際驗證股份有限公司依據溫室氣體主張之查證結果進行編製，業經客戶同意後發行。本意見書非用以解除客戶遵守組織章程、全國或者地方法令，以及任何被發佈國際指南章程之責任；客戶與 ARES 彼此為獨立之個體，客戶非受 ARES 約束，在此 ARES 除客戶之外毋須代表其面對其他組織團體。

意見中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.

ARES International Certification Co., Ltd. No. 12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City 708, Taiwan

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意見書編號 Opinion No.: ARES/TW/I2404010G

【The GHG emission of each category reported organization be verified】

Category	GHG Emissions (Unit: tonnes CO2e)	Assurance level
Category1	2,206.9361	Reasonable assurance level
Category2	11,202.1136	Reasonable assurance level
Category3	32.0190	Limited assurance level
Category4	2,462.0893	Limited assurance level
Category5	NS	N/A
Category6	NS	N/A
Direct emissions and indirect emissions	15,903.158	

*NS: Non significant ; N/A: Not available

ARES International Certification Co., Ltd. (ARES) received the application from SOUTHEAST CEMENT CORPORATION for ISO 14064-1:2018, and implements direct and indirect verification in accordance with ISO 14064-3:2019 requirements verification of greenhouse gas emissions, the period covered by greenhouse gas emissions is from January 1, 2023 to December 31, 2023, and the contents of the verification opinion are explained as follows:

Level of Assurance

ARES followed the inspection procedures in accordance with the verification criteria, and the evidence results showed that the greenhouse gas claims proposed by SOUTHEAST CEMENT CORPORATION met the regulations, did not violate the material difference threshold of 5%, and met the reasonable assurance level(Category1~2) , limited assurance level(Category3~6).

Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review: whether the GHG emissions are as declared by the organization's GHG assertion and the data reported are accurate, complete, consistent, transparent and free of material error or omission.

Scope

ARES confirmed that SOUTHEAST CEMENT CORPORATION has implemented in accordance with ISO 14064-1:2018 Greenhouse Gases - Part 1: Quantification and Reporting of Greenhouse Gas Emissions and Removals at the Organizational Level with Guidelines with relevant standard requirements to propose the compliance of the GHG emissions from human activities within the organization boundary and operation scope. The above-mentioned assurance opinions based on the ISO 14064-3:2019 guidelines include the following content:

意見中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.

ARES International Certification Co., Ltd. No. 12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City708, Taiwan

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意見書編號 Opinion No.: ARES/TW/I2404010G

GHG Inventory period : From 2023/01/01 to 2023/12/31

Verification of site :

Name of site Address of site

-
• HQ	• 4F-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City 801, Taiwan (R.O.C.)
• FTY	• No. 1, Pingshan Ln., Gaonan Highway, Nanzi Dist., Kaohsiung City 811 , Taiwan (R.O.C.)
• PT	• No. 22, Dahua 3rd Rd., Qianzhen Dist., Kaohsiung City 806 , Taiwan (R.O.C.)

Verify the types of greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃), and refer to the newest public GHG list by IPCC.

The global warming potential (GWP) calculated by the quantitative calculation of greenhouse gas emissions refers to the global warming potential value of the AR 6 assessment report of IPCC 2021, and the electricity emission coefficient refers to the 2022 electricity emission coefficient announced by the Energy Administration of the Ministry of Economic Affairs: 0.495 kg CO₂e/kWh calculated.

Materiality

ARES implements a third-party impartial, independent and objective verification of GHG claims disclosure information and on-site corroboration to ensure reporting information comply with the standards of accuracy, completeness, consistency and transparency, the content of which contains errors or missions. The threshold for material difference is 5%, and the verification process includes document review, pre-trip assessment, sampling plan, evidence search collect the information needed to verify the declaration and ensure the accuracy of GHG emissions.

Confidentiality

This report and its attachments may contain confidential information belonging to SOUTHEAST CEMENT CORPORATION, and other individuals, groups or companies are prohibited from copying or distributing it without the written consent of SOUTHEAST CEMENT CORPORATION.

意見中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.

ARES International Certification Co., Ltd. No. 12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City 708, Taiwan

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意見書編號 Opinion No.: ARES/TW/I2404010G

Avoidance of Conflict of Interest

The contents of this report and its attachments are in full compliance with the standard methods and procedures of the competent authority and conduct inspections in a fair and honest manner. There is no falsehood. If there is any violation, in addition to being jointly and severally liable for the losses suffered by the government agency, it will also accept administrative sanctions and criminal penalties as ordered by the competent authority.

ARES has no financial investment relationship with the inspected unit, and complies with the requirements of the competent authority to avoid conflicts of interest. If there are any violations of the aforementioned facts, which are verified by the competent authority, this report and the contents of the attachments are willing to accept the decision of the competent authority as invalid.

Verification Team

Above opinion coincide with ARES verifier group with fairness and impartiality, and aim at the GHG emission from January 1, 2023 to December 31, 2023 of SOUTHEAST CEMENT CORPORATION.

ARES Lead Verifier :

戴啟祥

Remarks: This verification opinion complies with the requirements of the ARES greenhouse gas verification service terms. The content of the opinion is prepared by ARES International Certification Co., Ltd. based on the verification results of greenhouse gas claims, and is issued after the customer's consent. This opinion is not used to relieve the client from the responsibility of complying with the articles of association, national or local laws, and any published international guidelines; the client and ARES are independent entities, and the client is not bound by ARES represent it against other organizations.

意見中須含完整的查證範圍、目標、標準和調查結果，否則意見無效。The opinion must contain the complete scope of verification, objectives, criteria and findings, otherwise the opinion is invalid.

ARES International Certification Co., Ltd. No. 12-2, Ln. 187, Wenping Rd., Anping Dist., Tainan City 708, Taiwan

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(VII) The Practice of Ethical Corporate Management and Related Policies and Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies:

Evaluation Items	The State of Operations			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
[1]. Establishment of ethical corporate management policy and proposal (1) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?	Yes		(1) The Company has established provisions to prevent dishonest behavior in regulations such as the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", "Employee Code of Ethical Conduct", and "Employee Grievance Handling Procedures". 2. After the audit proposed improvement suggestions, all have been continuously tracked for improvement. Every audit item's timely completion of improvement measures is reported to the Board of Directors and each Independent Director for	None

			review in accordance with regulations; this is an important mechanism for the Board of Directors to supervise the Implementation of Ethical Corporate Management policy.	
(2) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	Yes		(2) The Company has established the "Codes of Ethical Conduct," "Employee's Codes of Ethical Conduct," "Employee Grievance Handling Procedures," and other procedures. The Auditing Office regularly checks for compliance.	None
(3) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems	Yes		(3) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Grievance Procedures for Employees." Based on	None

for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?			the business philosophy of integrity, transparency, and responsibility, the Company has formulated operating policies based on integrity and established sound corporate governance and risk control mechanisms, thereby creating a sustainable operating environment.	
[2]. Implementation of Ethical Corporate Management (1) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	Yes		(1) During transactions and procurement, the genuineness of the company is confirmed through the website of the Department of Commerce, Ministry of Economic Affairs. Through various channels (such as credit reporting), the vendor's transaction performance is investigated to confirm the business integrity of the trading counterpart. The Company regularly reports on the current statuses of each customer and supplier during business and management meetings. If unethical behavior is detected among the transaction parties, we will immediately strictly control the execution of	None

(2) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and regularly report (at least once a year) to the Board of Directors on its ethical management policy and the plan to prevent unethical conduct, and monitor their implementation?	Yes	credit transactions, understand the current exposure of the Company, and carefully evaluate whether to terminate transactions with the customer. (2) To improve the management of ethical business operations, the various internal units of The Company are responsible for handling the following matters. The implementation is supervised by the Legal Department and regularly reported to the Board of Directors: 1. Management Department: (1-) The internal organization is divided and assigned, and a mutual monitoring and checking mechanism is put in place for business activities with a higher risk of unethical behavior within the scope of business. (2-) Promotion and coordination of the advocacy for the ethical policy. 2. President's Office: (1-) Assist in incorporating integrity and moral values into company management principles. (2-) Establishing the procedures for ethical management and guidelines for conduct in	None

(3) Does the Company have the policy to prevent conflict of interest, provide appropriate channels for an explanation, and implement it?	Yes	accordance with legal systems. (3-) Establish and maintain relevant internal regulations of the company, for example, Codes of Ethical Conduct, Employee Codes of Ethical Conduct. (3) The Company has established the "Operating Code of Honesty", "Ethical Conduct Code", "Employee Ethical Conduct Code", and "Employee Grievance Handling Procedures", to implement the policy to prevent conflicts of interest, provide appropriate channels for explanation, and enforce it. Furthermore, the "Rules of Procedure for Board Meetings" of The Company specifically stipulates that when a director or a juristic person represented by him or her involves in the following meeting matters, the director should explain the critical aspects of their Relationship with the endorser/guarantor at the current Board of Directors meeting. They cannot join the	None

(4) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	Yes	discussion and vote, should recuse from discussion and voting, and cannot represent other directors to exercise their voting rights. (4) The Company has a rigorous accounting system and an independent dedicated audit unit, which regularly carries out various internal audits according to the annual audit plan. All financial statements have been audited by certified public accountants to ensure the fairness of all financial statements.	None
(5) Does the Company regularly organize internal and external education and training on ethical corporate management?	Yes	(5) The Company holds education and training annually and periodically sends employees to participate in external training, including courses on ethical corporate management.	None

[3]. The operation of the Company's whistleblower reporting system (1) Does the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters? (2) Does the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms? (3) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	Yes Yes Yes		(1) The "Employee Grievance Handling Procedure" has set up a whistleblower reporting and reward system, a convenient reporting channel, and designated appropriate personnel to deal with the reported matters. (2) According to Article 4 of the Company's "Employee Complaints Handling Procedure," employees can personally send their complaints to the acceptance unit via confidential mail or a designated email inbox, etc. The complaint handling unit should centrally store data in confidential files after the case investigation is completed. (3) According to Article 5 of the Company's "Employee Grievance Handling Procedures", the personnel handling the grievances and related parties should investigate and report on the grievance cases with the spirit of fairness and justice, and retaliation	None None None

			against the complainant is prohibited. And have the obligation to maintain the confidentiality. If there are any violations found to be true, they should be referred to the review meeting according to the Company's relevant work rules.	
[4]. Intensification of Disclosure (1) Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	Yes		(1) The "Corporate Governance" section in the "Investor Section" of the Company's website www.southeastcement.com.tw, as well as the Market Observation Post System, disclose information related to the Company's ethical corporate management, including the "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" in "Corporate Governance"; For the sound management of ethical corporate management, it is carried out by various internal units of the Company, supervised by the Legal Department, and the results are regularly reported to the Board of Directors.	None

[5]. If the Company has the ethical corporate management best practice principles formulated in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the differences between its operation and the principles: The Company has established its ethical corporate management best practice principles and enforced by the legal department. Currently, all operations are in accordance with the principles, and there is no difference.
[6]. Other key information helpful for understanding the operation of the Company’s ethical corporate management: (1) The Company explicitly states the concept of ethical management in external documents such as the Company Profile, annual report, and Sustainability Report. (2) The Company reviews, amends, or establishes regulations related to ethical corporate management from time to time to meet operational needs.

- (8) The company has established corporate governance principles and related articles, and its way of inquiry:
1. The Company has established Corporate Governance Principles.
 2. Related regulations:
 - (1) Rules of Procedure for Shareholders' Meetings. (2) Procedures for Board of Directors meetings. (3) Election Method for Directors. (4) Rules for the scope of responsibilities of the Independent Director. (5) Constitution of the Remuneration Committee. (6) Code of Ethical Conduct. (7) Code of Ethics for employees. (8) Audit Committee Organization Regulations. (9) Ethical Corporate Management Principles. (10) Corporate Social Responsibility Best-Practice Principles. (11) Corporate Governance Best-Practice Principles. (12) Internal procedures for handling significant information and preventing insider trading. (13) Operational norms for financial and business dealings between related parties.
 3. Inquiry mode:
 - (1-) Public Information Observation Station:
The "Regulations and Rules for Corporate Governance" under the "Corporate Governance Section" are available for download.
 - (2-) The Company's corporate Website
(<http://www.southeastcement.com.tw/rule.html>):
The "Corporate Governance Charters" under the "Corporate Governance" section of "Investor Relations" is available for download.

(9) Other important information helpful for understanding the operation of the corporate governance:

The status of managerial participation in corporate governance-related training:

Title	Name	Time	Course Title	Hours
Finance Department Vice President	Hsin-Han Huang	2023.09.21	Analysis of the New Version of Corporate Governance and Evaluation and Measurement of the Board's Performance Practice in 2023	3
		2023.09.21	Practices and Financial Evaluation of Corporate Mergers and Acquisitions	3
		2023.09.22	From CSR to ESG Corporate Management Methodology	3
		2023.09.22	"Intellectual Property Infringement" Case Study and Legal Liability Analysis	3
Audit Office Supervisor	Kuan-Hsun Wang	2023.07.18	Auditors should possess knowledge of labor laws - from recruitment to resignation	6
		2023.08.08	Practical Section of Manufacturing Industry Material System Audit	6

(10) Implementation of the internal control system:

Southeast Cement Co., Ltd.

Statement of internal control system

Date: March 14, 2024

The Company bases on the result of the self-assessment performed on the 2023 internal control system to make declaration as follows:

- 1) The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.
- 2) Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of 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. Once a defect is identified, the Company will take corrective actions.
- 3) The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Handling guidelines"). The criteria of the internal control system adopted in the "Handling guidelines" are based on the process of managerial control and divide the internal control system into five components: 1. Control environment, 2. Risk evaluation, 3. Control operations, 4. Information and communication, and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Handling guidelines" for these items.
- 4) The Company has adopted the aforementioned criteria of the internal control system to assess the effectiveness of the design and implementation of its internal control system.
- 5) The Company bases on the assessment results in the preceding paragraph to conclude that the internal control system on December 31, 2023 (including the supervision and management of subsidiaries), including understanding the operational effect and the extent of efficiency realization, the reporting is reliable, timely, transparent, and complying with the relevant norms and relevant laws and regulations, the compliance with governing laws and regulations, and other design and implementation, is effective, which can reasonably ensure the achievement of the aforementioned objectives.

- 6) This statement will become the main content of the Company's annual report and prospectus and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, Articles 32, Articles 171 and Articles 174 of the Securities and Exchange Act will be incurred.
- 7) The Statement was approved by the Board of Directors of The Company on March 14, 2024. All eleven directors who attended agreed, and none of them disagreed, with the content of the Statement and declared as so.

Signature of Chairman: Min-Tuan Chen



Signature of President (Acting): Yan-Hui Wu



(11) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the main shortcomings, and condition of improvement: None.

(12) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

1. Important Resolutions and Status of Implementation of the 2023 Shareholders' Meeting:

(1-) The approval of the 2022 annual settled statements and books was passed by vote.

(2-) The 2022 earning distribution proposal was acknowledged and properly implemented. The ex-dividend base date was set on August 1, 2023, and the cash dividend distribution date was set on August 18, 2023 (with a cash dividend of NT\$0.1 per share).

(3-) List of newly elected directors:

Representative of Tong Shu Investments Corp.: Min-Tuan Chen,
Representative of Chen Chao Shu Public Welfare Charity Foundation:
Kuan-Hua Chen, Representative of Chen Zhao Tree Public Charity and
Charity Foundation: Chang-Zhi Wu, Representative of Tong Shu
Investment Co., Ltd.: Yan-Hui Wu, Representative of Fu-Kung Wen Jiao
Foundation: Zhao-Xiong Yang, Representative of Southwest Culture
Foundation: Shu-Fang Zhong, Li-Xiang Zheng, and Yi-Ling Lin.

Elected Independent Director list: Wen-Zai Yang, Jin-Bao Ye, Yu-Xin
Zhuang

Registered with the Department of Commerce, MOEA on August 1,
2023.

(4-) The case of relieving the newly appointed Directors from non-compete restrictions in the 33rd term of The Company has been passed and announced on the Public Information Observatory on June 21, 2023.

2. For 2023 and up to April 30, 2024, the material resolutions of the Board of Directors are:

Duration	Meeting Date	Important Resolutions	Independent Director's opinion
2023	2023.01.05	1) Proposal of Production and Sales Budget for Year 2023 2) Proposing to apply for a credit limit of NT\$100 million from Mega International Commercial Bank 3) The proposal to apply for a credit limit of NT\$500 million from Hua Nan Commercial Bank. 4) Proposition of the Remuneration Committee	None
	2023.03.14	1) The Company 2022 Annual statement of internal control system. 2) 2022 Employees' remunerations and directors' and supervisors' remuneration 3) The Company 2022 Annual business report, individual financial report and consolidated financial report 4) Proposal of 2022 earning distribution 5) Evaluation of the independence of the attesting CPAs for the financial statements of Year 2023 6) Amended some provisions of the "Corporate Governance Best-Practice Principles" 7) Amendment to partial provision of the "Sustainable Development Best Practice Principles" 8) Proposed the provisions of the "Operational Procedures for Financial and Business Dealings Among Affiliates" 9) It is proposed to endorse and guarantee a amount of NT\$335,580,000 for Southeast Topgood Resources Recycling Co., Ltd., a subsidiary of the company with 51% direct and indirect shareholding. 10) Complete re-election of Directors case	None

		11) Case of relieving the newly appointed director from non-compete restrictions 12) Proposed matters related to the 2023 general shareholders' meeting 13) Handling matters related to shareholder proposals and director candidate nominations for the 2023 General Shareholders' Meeting 14) President Kuan-Hua Chen's resignation case 15) The proposal to promote Mr. Yan-Hui Wu to the position of Vice President of production and act as the President is under consideration. 16) The proposed promotion of Mr. Jung-Tsung Tang to the position of Vice President of the Business Department. 17) The proposal to promote Mr. Hsin-Han Huang to the position of Vice President of the Finance Department	
	2023.05.11	1) Proposed reduction of the area rented from Zheng Tai Cement Factory Co., Ltd. for the storage of raw materials by 5,318 square meters. 2) The Company's 2023 Q1 consolidated financial report 3) Case of changing the CPA for certifying the financial reports 4) Evaluation of the independence of CPA Ling-Wen Huang for the auditing of the 2023 Year financial statements. 5) The Company has preliminarily agreed with Crowe (TW) CPAs on the service fee of 1.7 million per year for the period between 2023 to 2024. 6) Amendment to partial provision of the "Board of Directors Meeting Procedure" 7) Amended some provisions of the "Corporate Governance Best-Practice Principles" 8) Corrected Agenda for the 2023 General Shareholders' Meeting	None

		9) The nomination review case of the 33rd Director (including Independent Director) of The Company 10) Remuneration Committee proposal	
	2023.06.29	1) Election of the Chairman and Vice Chairman of The Company 2) Proposal to Apply for a credit limit of NT\$1.2 billion from Taiwan Bank 3) Proposal to Apply for a credit limit of NT\$500 million from Kaohsiung Bank 4) Proposal to Apply for a credit limit of NT\$80 million from Yuanta Bank. 5) Proposal to Apply for a credit limit of NT\$100 million from China Bills Finance Corp. 6) Proposal to Apply for a credit limit of NT\$200 million from Mega Bank 7) Appointment of the Fifth Remuneration Committee of The Company	None
	2023.08.10	1) The Company's 2023 Q2 consolidated financial report	None
	2023.11.09	1) The Company's consolidated financial report for Q3 2023 2) The proposal for a loan of NTD 100 million to Dongni Construction Co., Ltd., a wholly-owned Subsidiary of The Company, is under consideration. 3) The proposal to terminate the original lease contract and agreement with Chung Tai Cement Plant Co., Ltd. in advance on September 30, 2024, and to reduce the monthly rent to NT\$750,000 (excluding tax) from October 1, 2023. 4) The Company's 2024 Internal Audit Operation Inspection Plan Report Case 5) 2024 Sales Budget Proposal	None
	2023.12.05	1) The Company plans to sign a new construction contract for a collective housing project at No. 763, Baynei Section, Sanmin District, Kaohsiung City with Da Yang Construction Co.,	None

		Ltd., a subsidiary wholly owned by the Company. 2) The Company's wholly owned Subsidiary, Da Yang Construction Co., Ltd, plans to issue 2 million new Shares at NT\$10 per share, raising a total of NT\$20 million. 3) Propose to authorize the Chairman to purchase real estate within the total amount of NTD 200 million, the transaction is limited to cases involving non-related parties. 4) Proposal to Apply for a credit limit of NT\$200 million from CTBC Bank.	
Before April 30, 2024	2024.03.14	1) 2023 Statement of internal control system case 2) 2023 Employees' remunerations and directors' and supervisors' remuneration 3) 2023 business report, individual financial report and consolidated financial report case 4) Proposal of 2023 earnings distribution 5) Evaluation of the independence of the auditing accountants for the 2024 annual financial statements. 6) Amendment to partial provision of the "Audit Committee Organizational Regulations" case 7) Amendment to partial provision of the "Board of Directors Meeting Procedure" 8) The proposal for a loan of NTD 100 million to Dongni Construction Co., Ltd., a wholly-owned Subsidiary of The Company, is under consideration. 9) The proposal for The Company to directly and indirectly hold 51% of the Shares of Southeast Milo International Co., Ltd. to endorse and guarantee a total of NT\$244,800 thousand to Kaohsiung Bank, O-Bank, and KGI Bank is a comprehensive election of the Director case.	None

		10) The Subsidiary, Southeast Milo International Co., Ltd., leases the commercial plot 4, sub-plot 3 from The Company. Half of the rent for April to June 2024 is paid in advance, and the rest of the rent will be paid by the end of 2024. 11) Proposed matters related to the convening of the 2024 general shareholders' meeting 12) Matters related to the acceptance of shareholder proposals for the 2024 General Shareholders' Meeting 13) Proposal to apply for a credit limit of NT\$100 million from the Cooperative Bank 14) Proposition of the Remuneration Committee	

(13) During the most recent year up to the date of publication of the annual report, if the director had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions:
None.

(14) For the most recent year up to the date of publication of the annual report, a summary of the resignation and dismissal of the Company's chairman, president, head of accounting, finance officer, internal audit officer, and R&D officer:

Summary Table of Resignation and Dismissal of Relevant Personnel in the Company

April 30, 2024

Title	Name	Date of Appointment	Date of Resignation	Reasons for Resignation or Dismissal
President	Kuan-Hua Chen	2022.03.25	2023.04.01	Resigned due to personal reasons.

V. Information on Company's Audit Fee:

Amount Unit: NT\$1,000

Accounting Firm Name	Accountant name	Audit period	Audit fee	Non-audit fee	Total	Remarks
Crowe (TW) CPAs	Shu-Man Tsai Qing-lin Li	2023.01.01~ 2023.05.10	1,760	①Commercial registration NT\$15,000 ②Non-supervisory employees' remuneration information checklist NT\$15,000 ③The public fee for IFRS9 consulting service is 10,000.	1,800	
	Qing-lin Li Ling-Wen Huang	2023.05.11~ 2023.12.31				

VI. Replacement of CPA :

(I) Regarding the predecessor CPA

Change Date	2023.05.11		
Reason for Change and Description	The CPA was replaced due to the internal job adjustment of the CPA firm.		
The description is about the appointer or Certified Public Accountant terminating or not accepting the appointment.	Parties involved		
	Situation	Accountant	Appointer
	Voluntary Termination of Appointment	Not applicable	
No Longer Accepts (Continues) Appointment			
The opinions and reasons for audit reports other than Unqualified opinion issued within the latest two years	None		
Any disagreement with the Issuer	There are		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or steps
			Others
	None	✓	
Description			
Other disclosure matters (The items from the fourth to the seventh under the first subparagraph of Article 10, paragraph 6 of this standard should be disclosed)			None

(II) Regarding the Successor CPA

Firm Name	Crowe (TW) CPAs
Accountant name	CPA Qing-lin Li, CPA Ling-Wen Huang
Date of appointment	2023.05.11
Consultation on accounting treatment methods or accounting principles for specific transactions before appointment, and potential opinions that may be issued on the financial report and results.	None
Written opinion of the succeeding CPA on matters disagreed with the predecessor CPA	None

(III) The previous CPA's reply to the three items under Item 1 and Item 2 of Paragraph 6 of Article 10 of this standard: Not applicable.

VII. Company Directors, General Managers, Managers of Finance or Accounting that were employed by the CPA's Accounting Firm or Its Affiliated Corporation in the Most Recent Year: None.

VIII. Transfers or Pledge the shares by Directors, Managers or Shareholders with Shareholdings of over 10% in the Recent Year or as of the Date of Publication of the Annual Report:

Title	Name	2023		Year-to-date as of April 30th	
		Increase (Decrease) in No. of Shares Held	Increase (Decrease) in No. of Pledged Shares	Increase (Decrease) in No. of Shares Held	Increase (Decrease) in No. of Pledged Shares
Chairman	Tong Shu Investments Corp.	0	0	0	0
	Representative: Min-Tuan Chen	0	0	47,000	0
Director	Chen Chao Shu Public Welfare Charity Foundation	0	0	0	0
	Representative; Kuan-Hua Chen	0	0	0	0
Director	Tong Shu Investments Corp.	0	0	0	0
	Representative: Yan-Hui Wu	0	0	0	0
Director	Chen Chao Shu Public Welfare Charity Foundation	0	0	0	0
	Representative; Hsin-Han Huang	0	0	0	0
Director	Li-Xiang Zheng	0	0	0	0
Director	Fukang Cultural and Educational Foundation	0	0	0	0
	Representative; Zhao-Xiong Yang	0	0	0	0
Director	Southeast Cultural Foundation	0	0	0	0
	Representative; Shu-Fang Zhong	0	0	0	0
Director	Yi-Ling Lin	0	0	0	0
Independent Director	Wen-Zai Yang	0	0	0	0
Independent Director	Jin-Bao Ye	0	0	0	0
Independent Director	Yu-Xin Zhuang	0	0	0	0
of Sales Department Vice President	Jung-Tsung Tang	0	0	0	0

Equity Transfer Information

Name	Reason for equity transfer	Transaction Date	Counterparty	Relationship between the counterparty and the company, directors, supervisors, managerial officers, and shareholders with more than a 10% of shareholders	No. of Shares	Transaction price
None	None	None	None	None	None	None

Equity Pledge Information

Name	Reason for Pledge Changes	Date of Change	Counterparty	Relationship between the counterparty and the company, directors, supervisors, managerial officers, and shareholders with more than a 10% of shareholders	No. of Shares	%	Pledge ratio	Pledge (redemption) amount
None	None	None	None	None	None	None	None	None

IX. Information on Relationship Among the Top Ten Shareholders

Name	Shareholdings of the Principal		Shareholding of spouse and minor children		Total shares held in the name of others		Names and relationships of the Top 10 shareholders who are related parties, spouse, and relatives within the second-degree of kinship. (Note)		Remarks
	No. of Shares	%	No. of Shares	%	No. of Shares	%	Title (or Name)	Relationship	
Tong Shu Investments Corp.	80,496,816	14.07	-	-	-	-	Taiwan Machinery Shipyard Co., Ltd. Baifu Investment Co., Ltd. Chen Chao Shu Public Welfare Charity Foundation Yue-Ling Chen	The Chairman and the Chairman of Dong Shu Investment Co., Ltd. is the same person. The Chairman and the Chairman of Dong Shu Investment Co., Ltd. is the same person. The Chairman and the Chairman of Dong Shu Investment Co., Ltd. is the same person. She is a second-degree relative of the Chairman of Dong Shu Investment Co., Ltd.	
Representative: Min-Tuan Chen	2,960,000	0.52	13,003	-	-	-			
Taiwan Machinery Shipyard Co., Ltd.	49,292,761	8.62	-	-	-	-	Tong Shu Investments Corp. Baifu Investment Co., Ltd. Yue-Ling Chen Chen Chao Shu Public Welfare Charity Foundation	The Chairman and the Chairman of Taiwan Machinery Shipyard Co., Ltd. is the same person. The Chairman and the Chairman of Taiwan Machinery Shipyard Co., Ltd. is the same person. She is a second-degree relative of the Chairman of Taiwan Machinery Shipyard Co., Ltd. The Chairman and the Chairman of Taiwan Machinery Shipyard Co., Ltd. is the same person.	
Representative: Min-Tuan Chen	2,960,000	0.52	13,003	-	-	-			
Evergreen Co., Ltd.	40,070,010	7.01	-	-	-	-	Fukang Cultural and Educational Foundation Southeast Cultural Foundation	The Chairman is also the Supervisor of Evergreen Co., Ltd. The Chairman is also the Director of Evergreen Co., Ltd.	
Representative: Chun-Min Shao	56,128	0.01	-	-	-	-			

Name	Shareholdings of the Principal		Shareholding of spouse and minor children		Total shares held in the name of others		Names and relationships of the Top 10 shareholders who are related parties, spouse, and relatives within the second-degree of kinship. (Note)		Remarks
	No. of Shares	%	No. of Shares	%	No. of Shares	%	Title (or Name)	Relationship	
Fukang Cultural and Educational Foundation	38,829,350	6.79					Southeast Cultural Foundation	The Chairman and the Chairman of the Fokang Cultural and Educational Foundation are second-degree relatives.	
Representative: Jian-Hao Chen	58,609	0.01							
Baifu Investment Co., Ltd.	36,008,148	6.30	-	-	-	-	Tong Shu Investments Corp. Taiwan Machinery Shipyard Co., Ltd. Chen Chao Shu Public Welfare Charity Foundation Zheng Tai Cement Factory Co., Ltd. Yue-Ling Chen	The Chairman and the Chairman of Bai Fu Investment Co., Ltd. is the same person. The Chairman and the Chairman of Bai Fu Investment Co., Ltd. is the same person. The Chairman and the Chairman of Bai Fu Investment Co., Ltd. is the same person. The Chairman and the Chairman of Bai Fu Investment Co., Ltd. is the same person. She is a second-degree relative of the Chairman of Bai Fu Investment Co., Ltd.	
Representative: Min-Tuan Chen	2,985,000	0.52	13,003	-	-	-			
Southeast Cultural Foundation	33,421,803	5.84	-	-	-	-	Fukang Cultural and Educational Foundation	The Chairman and the Chairman of the Southeast Culture Foundation are second-degree relatives.	
Representative: Si-Ying Chen	58,891	0.01	-	-	-	-			
Yue-Ling Chen	26,664,215	4.66	-	-	-	-	Baifu Investment Co., Ltd. Tong Shu Investments Corp. Taiwan Machinery Shipyard Co., Ltd. Chen Chao Shu Public Welfare Charity Foundation	The Chairman and Chen Yue Ling are second-degree relatives. The Chairman and Chen Yue Ling are second-degree relatives. The Chairman and Chen Yue Ling are second-degree relatives. The Chairman and Chen Yue Ling are second-degree relatives.	
Ying Chen Co., Ltd.	26,401,219	4.62	-	-	-	-	Fukang Cultural and Educational Foundation	The Chairman is the legal representative of Ying Chen Co., Ltd.	
Representative: Guo-Hao Huang	0	0.00	-	-	-	-			

Name	Shareholdings of the Principal		Shareholding of spouse and minor children		Total shares held in the name of others		Names and relationships of the Top 10 shareholders who are related parties, spouse, and relatives within the second-degree of kinship. (Note)		Remarks
	No. of Shares	%	No. of Shares	%	No. of Shares	%	Title (or Name)	Relationship	
Liang Hsun Enterprise Co., Ltd.	26,008,000	4.55	-	-	-	-	None	None	
Representative: Qi-Chuan Huang	168,000	0.03	-	-	-	-			
Chen Chao Shu Public Welfare Charity Foundation	24,885,291	4.35	-	-	-	-	Baifu Investment Co., Ltd. Tong Shu Investments Corp. Taiwan Machinery Shipyard Co., Ltd. Yue-Ling Chen	The Chairman and the Chairman of Chen Chao Shu Public Welfare Charity Foundation is the same person . The Chairman and the Chairman of Chen Chao Shu Public Welfare Charity Foundation is the same person . The Chairman and the Chairman of Chen Chao Shu Public Welfare Charity Foundation is the same person . She is a second degree relative of the Chairman of the Chen Chao Shu Public Welfare Charity Foundation.	
Representative: Min-Tuan Chen	2,960,000	0.52	13,003	-	-	-			

Note: The listed shareholders include both corporate entities and individuals, and the relationship between them should be disclosed according to the Issuer's financial reporting preparation guidelines.

X. Information on the Company Directors, Managers, or Businesses Directly or Indirectly Controlled by the Company:

December 31, 2023

unit: Shares; %

Investment business (Note 1)	The Company's investment		Investment of the directors, managerial officers and business under direct or indirect control		Total investments	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Southeast 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
Nan Hsia Timber 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 Topgood Resources Recycling Co., Ltd.	8,500,000	50.00	170,000	1.00	8,670,000	51.00
Dong Nai 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 Milo International Co., Ltd.	5,000,000	50.00	100,000	1.00	5,100,000	51.00
Da Yang Construction Co., Ltd	11,000,000	100.00	0	0.00	11,000,000	100.00

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

Chapter IV Capital Overview

I. Capital and Shares

(1) Source of capital:

Unit: NTD\$; shares

Year & Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		No. of Shares	Amount	No. of Shares	Amount	Source of capital	Using property other than cash as payment of shares	Others
85.09	10	343,882,000	3,438,820,000	343,882,000	3,438,820,000	Capitalization of surplus (Note 1)	None	None
86.09	10	800,000,000	8,000,000,000	495,464,300	4,954,643,000	Capitalization of surplus & 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 surplus Capital increase (Note 3)	None	None
89.08	10	800,000,000	8,000,000,000	558,635,998	5,586,359,980	Capitalization of surplus (Note 4)	None	None
93.08	10	800,000,000	8,000,000,000	586,567,797	5,865,677,970	Capitalization of surplus (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 (I) No. 36904

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

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

Note 4: 89.6.27(89) Tai Cai Zheng (I) No. 55307
Note 5: 93.7.7 Zheng Qi Yi Zi No. 0930129934
Note 6: 95.1.25 Zheng Qi Yi Zi No. 0950103221
Note 7: 95.4.18 Zheng Qi Yi Zi No. 0950113669
Note 8: 97.11.28 Zheng Qi Yi Zi No. 0970064920

Type of share	Authorized capital			Remarks
	Outstanding shares (Listed)	Unissued shares	Total	
Registered common stock	572,000,797	227,999,203	800,000,000	

(2) Shareholder structure:

April 30, 2024

Shareholder structure Quantity	Government agencies	Financial institutions	Other Legal persons	Individuals	Foreign institutions and foreigners	Total
Number of people	0	0	49	7,179	29	7,257
No. of Shares Held	0	0	455,013,496	81,547,987	35,439,314	572,000,797
%	0.00	0.00	79.55	14.25	6.2	100

Note: No Mainland China ownership.

(3) Common stock Equity dispersion profile:

Par value NT\$10 per share

April 30, 2024

Shareholding Grades	Number of shareholder	No. of Shares Held	%
1 to 999	3,950	599,929	0.10
1000 to 5000	2,461	4,628,943	0.81
5001 to 10000	287	2,311,394	0.40
10001 to 15000	120	1,537,184	0.27
15001 to 20000	88	1,647,282	0.29
20001 to 30000	93	2,458,881	0.43
30001 to 40000	44	1,594,985	0.28
40001 to 50000	28	1,313,921	0.23
50001 to 100000	74	5,439,830	0.95
100001 to 200000	33	4,660,986	0.81
200001 to 400000	31	8,802,204	1.54
400001 to 600000	4	2,009,591	0.35
600001 to 800000	4	2,905,700	0.51
800001 to 1000000	2	1,850,307	0.32
1000001 to 999999999	38	530,239,660	92.71
Total	7,257	572,000,797	100.00

(4) List of major shareholders:

April 30, 2024

Major shareholders name \ Shares	No. of Shares Held	%
Tong Shu Investments Corp.	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.	36,283,148	6.34%
Southeast Cultural Foundation	33,421,803	5.84%
Yue-Ling Chen	26,664,215	4.66%
Ying Chen Co., Ltd.	26,401,219	4.62%
Liang Hsun Enterprise Co., Ltd.	26,008,000	4.55%
Chen Chao Shu Public Welfare Charity Foundation	24,885,291	4.35%

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

Item \ Year			2022	2023	Up to March 31, 2024
Stock Price Per Share	Highest		22.85	20.45	18.10
	Lowest		16.70	17.50	17.45
	Average		18.94	18.66	17.83
Net value per share	Before distribution		15.09	15.60	Note 3
	After distribution		14.99	15.40	-
Earnings per share	Weighted average shares		569,887,932	569,887,932	569,887,932
	Earnings per share		0.26	0.26	Note 3
Dividends Per Share	Cash dividends		0.1	0.2	-
	Stock dividends	Stock dividends from earnings	0	0	-
		Stock dividends from capital surplus	0	0	-
	Accumulated undistributed dividends		0	0	-
Analysis of return on investment	Price-earnings ratio		72.85	71.77	-
	Capital gain ratio		189.4	93.3	-
	Cash dividends yield ratio		0.53	1.07	-

Note: 1. A dividend of NT\$0.2 is proposed for 2023, which has not yet been resolved by the Shareholders' Meeting.

2. The weighted average number of shares is deducted from the number of shares of the parent company held by the subsidiary.

3. As of the publication date of the annual report, the financial information up to March 31, 2024, has not yet been audited by the accountant.

(6) Company dividend policy and implementation:

1. Company dividend policy:

If the Company makes an annual profit, taxes and levies should be paid first, and past losses should be compensated. Then, 10% of the profit should be allocated as legal reserve until the legal reserve reaches the total capital of the Company. Following the stipulations from the competent authorities, special reserve should be set aside or reversed. The remaining balance, along with the accumulated undistributed earnings from previous years and the adjusted undistributed earnings from the current year, is considered as distributable earnings. The Board of Directors will prepare a proposal for earnings distribution, which will be submitted to the Shareholders' Meeting for resolution and to distribute dividends to shareholders.

In determining the Company's dividends, characteristics of changes in the business environment should be considered, as well as the demands for future funding and long-term financial planning concerning the life cycles of various products or services. With the goal of maintaining stable dividends, unless there are funding needs, the actual annual distributable earnings should not be less than fifty percent of all profitable earnings that can be distributed. Among them, the cash dividend part to shareholders should not be less than fifty percent of the total dividend.

2. The distribution of shareholders' dividends intended/proposed at this Shareholders' Meeting:

(1-) The beginning retained earnings for 2023 were NT\$ 258,569,218. Added to the net profit after tax of NT\$149,521,666 for 2023, and the adjustment of equity instruments measured at fair value through other comprehensive income / loss of (NT\$196,892), the total distributable profit after adjustment was NT\$407,893,992. The legal earning reserve of NT\$ (14,932,477) was set aside, the earnings of NT\$278,561,356 were retained and not distributed, the remaining balance of NT\$114,400,159 was proposed to be fully distributed as cash dividends for common stock, with a distribution per share of NT\$0.2.

(2-) The Company's 33rd session of the 5th Board of Directors meeting, held on March 14, 2024, passed a resolution and proposed to be recognized at the Company's 2024 Annual General Shareholders' Meeting.

(7) The impact of this stock dividends on the company's operating performance, earnings per share, and shareholder return on investment:

Item		Year	2023 (Estimated)
Beginning Paid-in Capital			5,720,007,970
Stock and dividend distribution for the year	Cash dividends per share		0.2
	No. of Shares for capital increase from earnings per share		—
	Capital surplus transfer capital increase per share of stock dividends		—
Changes in Financial Performance	Operating profit		—
	Operating profit Increase (Decrease) over the same period of last year		—
	Net profit after tax		—
	Net profit after tax Increase (Decrease) over the same period of last year		—
	Earnings per share		—
	Earnings per share Increase (Decrease) over the same period of last year		-
	Average annual return on investment (Average annual price-earnings ratio countdown))		-
Estimated Earnings per share and Price-earnings ratio	If all earnings are used to distribute cash dividends instead of increasing capital	Proposed Earnings per share	-
		Proposed average annual return on investment	-
	If capital surplus is not transferred to increase capital	Proposed Earnings per share	-
		Proposed average annual return on investment	-
	If capital surplus is not handled and profits are converted to capital increase and distribute as cash dividends instead.	Proposed Earnings per share	-
		Proposed average annual return on investment	-

1. The Company should describe the various basic assumptions based on which the estimated or planned data are prepared.
2. The proposed formula for earnings per share if all retained earnings were used to pay cash dividends instead of capital increase = $[\text{Net profit after tax} - \text{Assumed cash dividends to bear Interest expense}^* \times (1 - \text{Tax rate})] / [\text{Total No. of shares issued at the end of the year} - \text{Surplus allotted No. of shares}^{**} \text{ from the stock dividends from earnings}]$ Assumed cash dividends to bear Interest expense* = The amount converted from earnings to increased capital $\times$ The interest rate for one-year general loans. The No. of shares** from stock dividends from earnings refers to the increased number of shares from the prior year's stock dividends from earnings.
3. Average annual Price-earnings ratio = Average Market Price Per Share / Earnings per share from annual financial report

(8) Remuneration for employees and directors:

1. In case the Company makes an annual profit, it should set aside no less than 2% as remuneration for employees, which is decided by the Board of Directors to be distributed in stock or cash; the Company may decide through the Board of Directors to set aside up to 3% of the aforementioned profit as remuneration for the Director. The distribution of employees' remunerations and directors' remuneration should be reported to the Shareholders' Meeting.
However, the amount to offset the Company's accumulated losses should be reserved in advance before following the previous ratio to allocate remuneration to employees and directors.
2. The estimated basis of the amount of employees' and directors' remuneration for the current period, the basis of calculation for the number of shares for employees' remuneration distributed in shares, and the accounting treatment when the actual distribution amount differs from the estimated number: Employee and director remunerations of the Company in 2023 are estimated in accordance with the company's articles of incorporation. If there is any difference with the actual distribution number, it is regarded as an accounting estimate change and included in the profit or loss of 2024.

3. Information on the proposed distribution of employee remuneration approved by the Board of Directors: The earnings from 2023 will be distributed according to the provisions of The Company's articles of association.

(1-) Distributed NT\$5,750,969 as Employees' Remunerations and NT\$5,750,969 as Directors' Remuneration.

The aforementioned proposed distribution amounts, remunerations to both employees and directors, are consistent with the estimated number on the book in 2023 with no difference. However, if the actual distribution amounts differ from the numbers resolved by the Board of Directors, they will be considered as changes in accounting estimates and will be recorded in the profit and loss of the year 2024.

(2-) Proportions of the Employees' Remunerations distributed in shares to the net profit after tax and the Total Employees' Remunerations in the individual financial reports: Not applicable.

(3-) The calculated Earnings per share after the proposed distribution of Employees' Remunerations and Directors' Remunerations is: NT\$0.26.

(4-) Actual distribution of employee and director remunerations in the previous year:

2022 Employees' remunerations and directors' remuneration Unit: NT\$

Distribution Items Distribution Status	Employees' Remunerations	Director's Remuneration
Board of Directors proposed Distribution (2023/3/14)	4,796,661	4,796,661
Actual distribution (2023/8/10)	4,796,661	4,796,661

- (9) Repurchase of the Company's shares up to the publication date of this annual report: None.

II. Issuance of corporate bonds, preferred shares, and global depository receipts: None.

III. Employee Stock Options:

- (1) The company should disclose the status and its impact on shareholders' rights on the unexpired employee share subscription warrants up to the date of the printing of the annual report: None.

- (2) The cumulative situation of managerial officers obtaining employee's subscription warrants and the names, obtaining and subscribing situations of the top ten employees who can subscribe to shares by means of warrants up to the date of annual report printing: None.

IV. Status of employee restricted stock:

- (1) For any unvested restricted employee shares, disclose the situation up to the date of annual report issuance and the impact on shareholder's equity: None.
- (2) Accumulated to the date of publication of the annual report, the names and acquisition status of the managerial officers who have acquired restricted employee shares, and the Top 10 employees in terms of number of shares acquired: None.

V. Status of new share issuance in connection with mergers and acquisitions:

- (1) The completion of the issuance of new shares from the merger or acquisition of other companies' shares in the most recent fiscal year and up to the date of printing this annual report: None.
- (2) For the recent year and up to the date of the annual report printing, the issuance of new shares in connection with the merger and acquisition of shares of other companies that has been approved by the Board of Directors and the status of implementation and impact on shareholder rights of the ongoing issuance of new shares in connection with the merger and acquisition of shares of other companies should be disclosed: None.

VI. Financing Plans and Implementation:

- (1) Project Description:
- Previous issues or private placements of marketable securities that have not yet been completed or have been completed within the last three years and the benefits of the plans have not yet been realized: None.
- (2) Execution Status: Not applicable.

Chapter V Operation Highlights

I. Business Activities

(1) Scope of business:

1. Main content of the business:
 - (1-) C901030 Cement Manufacturing.
 - (2-) B202010 Non-metallic Minerals Industry.
 - (3-) C901040 Ready-Mixed Concrete Manufacturing.
 - (4-) C901050 Cement and Concrete Product Manufacturing.
 - (5-) H701010 Residential and Building Development and Leasing.
 - (6-) H701040 Development of Special Professional Areas.
 - (7-) H701060 Development of New Towns and Communities.
 - (8-) H703100 Real Estate Leasing.
 - (9-) J102040 Waste Treatment Services.
 - (10-)F111090 Wholesale of Building Materials.
 - (11-)F211010 Retail Sale of Building Materials.
 - (12-)CD01010 Ship and its Parts Manufacturing.
 - (13-)CD01020 Manufacturing of Railway Vehicles and Parts.
 - (14-)A201040 Forest Recreation Area Operation.
 - (15-)J701020 Amusement Park Industry.
 - (16-)ZZ99999 All businesses that are not prohibited or restricted by law, except those that are subject to special approval.
 - (17-)C901990 Other Non-Metallic Mineral Products Manufacturing.

2. 2023 Business proportion:

Item	Individuals		Consolidation	
	Amount (Thousand)	Percentage (%)	Amount (Thousand)	Percentage (%)
Cement	1,609,030	79.70	1,534,678	67.50
Furnace slag powder	242,815	12.03	219,771	9.67
Others	6,810	0.34	6,809	0.30
Leasing	160,121	7.93	153,123	6.73
Ready-Mixed Concrete	-	-	359,137	15.80
Sale of real estate	-	-	-	-
Engineering Revenue	-	-	-	-
Total	2,018,776	100.00	2,273,518	100.00

3. New products (services) planned for development: None.

(2) Industry Overview:

1. Industry current status and development:

(1-) Cement industry

The total demand for cement in Taiwan in 2023 was 13.016 million metric tons, a decrease of 0.461 million metric tons or a decline of 3.42% compared to 13.477 million metric tons in 2022. The imported cement and clinker reached 3.213 million metric tons, a decrease of 196,000 metric tons, or a downturn of 5.7% compared to 3.409 million metric tons in 2022.

According to the statistics of the Construction and Planning Agency, Ministry of the Interior, the area of "building permits" issued in the Taiwan-Fujian Regions in 2023 was a total of 37.444 million square meters, a decrease of 8.383 million square meters or a decline of 18.3% compared to 45.827 million square meters in 2022.

In 2023, the real estate market faced difficulties such as labor shortage, soaring construction costs, and difficulties in project contracting. In addition, the implementation of the new "Average Land Rights Act", as well as the interference of the presidential election, resulted in a full-scale decline in the approval Quantity of building permits in the three major categories of 'residential, industrial, and commercial'.

In response to the unfavorable overall economic environment, the Executive Yuan has been actively promoting public construction projects to stimulate the economy. For 2024, a budget of NT\$588.6 billion has been allocated for public construction, of which NT\$192.8 billion is allocated for public construction project expenses, an increase of NT\$29.8 billion or approximately an 18.3% growth compared to 2023.

(2-) Construction industry

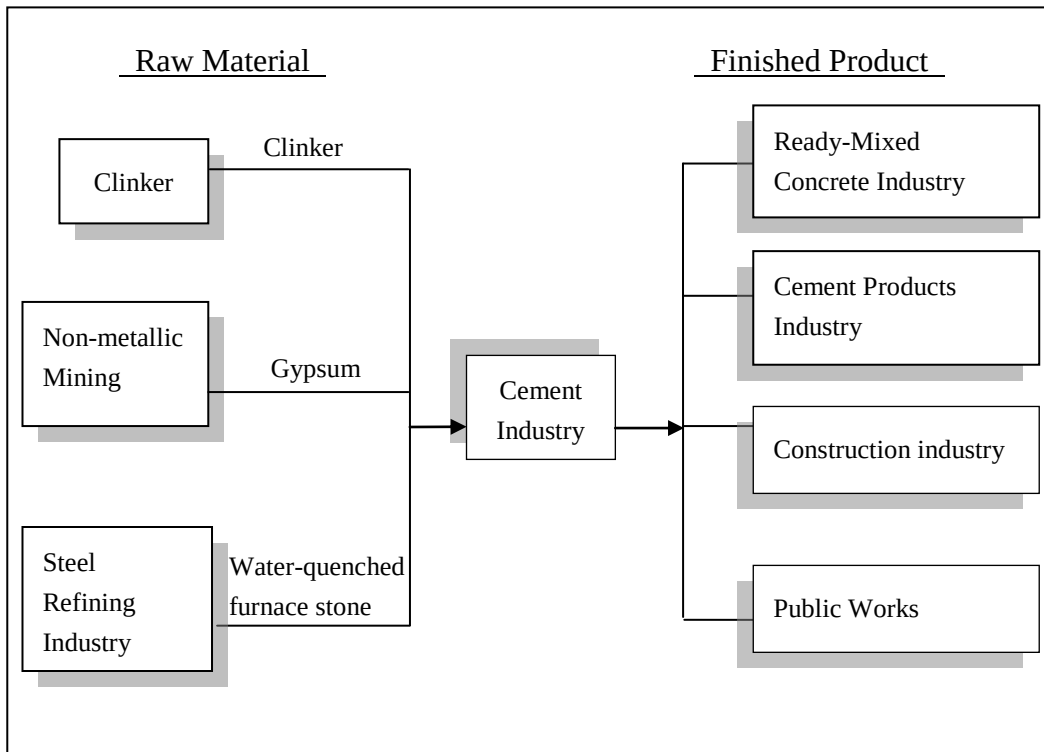
Taiwan Housing Group and the Taiwan Economic Research Development Center of National Central University released the latest "Taiwan Housing Market Indicator" and housing market forecast. Overall, after hitting the bottom in the first half of 2023, Taiwan's housing market is predicted to have the yellow-red light on for four consecutive quarters from the third quarter of 2023. The

market outlook is stable in 2024. The introduction of the New Qingan policy in Q3 of 2023 has triggered a stable wave of first-time home purchases, not only driving the sale of small houses but also making last year's sale and transfer of houses start low and end high. The solid demand brought about by the new Qingan continues to this day. Given that the transaction volume in H1 of last year was relatively low, the buyer's momentum in the first half of 2024 is expected to be better than the same period last year. Moreover, the election ended earlier this year, and the likelihood of new policy variables during the caretaker period before the new government takes office is not high. As the disturbances fade, the housing market in the first half of the year is expected to continue the warming trend from the end of last year, and the light also maintains the yellow-red light symbolizing heated activity.

(3-) Circular Economy Business

Ready-mixed concrete and reinforcement bars are indispensable primary materials in construction, and they are critical factors directly affecting the quality of the project. Focusing on the control of material sources, mix design, production control, end verification, and the application and evaluation of quality control technology to meet construction standards and design requirements. Balancing environmental sustainability, developing resource recycling and circular economy industries by controlling low-strength backfill materials (CLSM), and transforming the concrete industry into a green and sustainable industry that is recyclable, reduces carbon, waste, and energy consumption.

2. Relationship between industry upstream, middle, and downstream:
(1) Cement industry



(A) Relationship between finished products and downstream industries:

The ready-mixed concrete industry, cement product industry, construction industry, and public works are downstream industries of the cement industry, as they all use cement in various fields such as private construction, public works, and national defense construction, greatly affecting the domestic cement industry's prosperity.

(B) Various product development trends and Competitive Status:

- ① Supply and Demand: Considering the transportation and cost, cement is mainly transported and sold based on its production place. Besides purchasing raw materials for production, the cement demand in the western regions relies on the transportation of cement from east to west or imports to maintain a balance between production and sales.
- ② Substitution: On the basis of cost considerations, ready-mix concrete businesses have significantly increased the quantity of additives such as blast furnace slag power and fly ash to substitute for cement, which has formed a long-term inevitable trend.

③Competition: Due to the product characteristics, The Company's sales are mainly in the southern Regions. Long-term provision of quality products and good after-sales service has been deeply trusted and affirmed by customers.

(2) Construction industry

"Southeast Cement" has been established since December 28, 1956, for more than 60 years. Most of the bagged cement on the market has a high market share owned by Southeast Company. In terms of construction asset development, in addition to being used in its own projects, it can be actively promoted for use by other industry peers to enhance the performance of the pre-mixed concrete plant in which the Company has invested.

(3) Technology and R&D overview:

1. The Company had no Technology and R&D expenses incurred in 2023.
2. There are currently no research and development plans within the next three years.

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

1. Long-term plans

(1-) Cement Industry

The company's operations still focus on cement and furnace slag powder as the main products, and water-quenched slag is still purchased from China Steel and ground into slag powder for sale in the southern Regions.

(2-) Construction industry

Activate the company's existing inventory land and the land designated for rezoning. The Subsidiary "Southeast Milo" has been established to introduce professional teams for the development of shopping malls or factories/offices through cross-industry alliances for long-term rental income. It can also reap the benefits from the appreciation of the land. On the other hand, it can also improve the company's corporate image and gradually transform.

(3-) Leasing industry

The Company primarily engages in the development of commercial spaces. To establish market segmentation, it uses the feedback from world-renowned first-line chain brands launched in the post-epidemic era, creating a development and operation model that stands apart from traditional department store methods. Future commercial space planning will focus on the development of independent storefronts to reduce the impact of market changes on normal operations.

2. Short-term plans

(1-) Cement Industry

Pursue opportunities in construction projects, strengthen customer service, ensure market position and competitive advantage.

(2-) Construction industry

Dong Nai Construction owns two plots of land and four joint construction projects, of which three are under construction, and the following three projects are scheduled to start. The projects of Tainan City's Dongshan, Kaohsiung City's Yanchao, and Pingtung City's Dalian are expected to be completed and sold in 2024, contributing to an increase in revenue.

(3-) Leasing industry

The parent company, Southeast Cement, is renting 16,129.61 square meters of land in the Asia Bay area for mall development and solicitation of merchants. It is expected to be divided into Areas A and B for development, with a large-scale manufacturer settling in Area A (next to Fuxing Road) and a mall or stand-alone store planned for Area B (next to Chenggong Road). It is expected to attract well-known domestic and international chain brands to move in, and overall planning will be carried out in the form of a park.

II. Market, Production and Sales Overview

(1) Market analysis:

(1-) Cement Industry

The total amount of major public construction projects in the southern regions with a successful bidding price of more than NT\$10 billion in 2023 is NT\$184.297 billion. Including the turnkey project of new tank and filling station at CPC Corporation's Dalin Plant H2 Zone, the turnkey trackwork project of YT01 Bid for Kaohsiung Metropolitan Mass Rapid Transit System's metropolitan line (Yellow Line), the turnkey trackwork project of RLT01 Bid for Kaohsiung Metropolitan Mass Rapid Transit System's Xiaogang and Linyuan Line, the land acquisition public works project for the development of Kaohsiung New Town's Second Phase Development Area (aligns with Science Park) sector (Area 6) in a merger with 4 other projects, the turnkey project of 26 petrochemical storage tanks at Dalin Petrochemical Oil Storage and Transportation Center District 3, the new construction project of the Zengwen Creek Bridge on the West Coast Expressway, Phase I construction project of the sewage treatment plant at Nanzih second (Qiaotou) Park in the Southern Taiwan Science Park (STSP), N-WH Plan's II-D Eastside Wharf, the North Outer Ring Interchange project on National Highway No.1, the new road construction from Ligang interchange to Sinwei Bridge, Ligang to Meinong segment on National Highway No.10, the turnkey construction and electromechanical facility project of YC01 bid for Kaohsiung Metropolitan Mass Rapid Transit System's metropolitan line (Yellow Line), the turnkey construction and electromechanical facility project of RLC01 bid for Kaohsiung Metropolitan Mass Rapid Transit System's Xiaogang and Linyuan line, etc.

Looking forward to 2024, with the active promotion of public works and prospective construction plans, coupled with the solid demand from private construction industry for cement.

Comparison table of production and sales quantity in Taiwan area from January to December 2023 compared with the same period last year

Unit: Thousand Tons

Domestic				Import			Domestic sales
	Produce cement	Domestic cement (A)	Export cement	Cement	Clinker	Total (B)	(A+B)
2023 January to December	10,246	9,803	506	827	2,386	3,213	13,016
2022 January to December	11,223	10,068	1,098	692	2,717	3,409	13,477
Increase (Decrease)	-977	-265	-592	135	-331	-196	-461
Growth Rate (%)	-8.70%	-2.63%	-53.96%	19.38%	-12.17%	-5.76%	-3.42%

(2-) Construction industry

The current market environment continues to build factories in the Kaohsiung technology industry, causing the construction cost to remain high. The company uses existing home sales for all cases on hand to control cost expenditure and maintain profits.

Favorable and Unfavorable Factors influencing the future development of the Company:.

1. Favorable factors:

(1) Cement Industry

Due to the continuous implementation of the Forward-looking Infrastructure Construction Project and public construction projects, major construction projects such as the Zuoying Naval Port Weihai Project, Renwu Park Development Factory Construction Project, private construction project promotions, Nanzih Park TSMC Factory Construction Project, Kaohsiung New Town Phase II Development Zone (in conjunction with the Science Park) development project, Kaohsiung City Social Housing, etc., will contribute to cement sales under the overall construction of major projects in the south and the promotion of private construction projects.

(2) Construction industry

TSMC and Qiao-Tou Science Park quickly drive the future population dividend in the region, the extension of the MRT Red Line and the full commencement of the Yellow Line increase convenience in transportation. In addition, the extension plan of the high-speed rail to Pingtung City has also been approved, promoting the fast connection of future Kaohsiung-Pingtung transportation.

(3) Circular Economy Business

The government is promoting the circular economy, which allows for the full recovery and recycling of waste resources, minimizing waste and maximizing resources, and creating investment opportunities.

(4) Leasing industry

The New Bay Area in Asia is a key development region, with continuous input from the Special Trade Three Development Project, Asia Bay Public Housing Project, and the Soft Science Phase II Development Project. Alongside the upcoming Asia Bay 2.0 Plan, both the national oil company and the city government are continuously releasing land to recruit international corporations to establish their headquarters buildings. In the future, the population moving into this region, including office workers, will enjoy a population dividend, which will also drive an increase in surrounding consumer demand.

2. Unfavorable factors:

(1) Cement Industry

The construction project has been delayed due to a shortage of labor. The Russo-Ukrainian war and Israeli-Palestinian conflict have led to an increase in raw material costs. In addition to the rise in electricity prices, the imposition of carbon costs, etc., the company's operation will be even more challenging.

(2) Construction industry

The expansion of industrial factories and the large number of projects launched in the construction industry has led to a serious shortage of labor and increased competition, affecting not only the progress of projects but also causing costs to rise by at least 40%. Consequently, house prices have also been adjusted upwards, further burdening first-time buyers and slowing down transaction speeds.

In recent years, the surplus of funds and shortage of inventory land in the construction industry have led to new high prices for land cases launched by the government, and private land prices have also risen steadily, making it difficult to purchase land and increasing the difficulty of development.

The government's further imposition of luxury house tax and introduction of new regulations have led to the delay of house purchasing by customers seeking large total-priced houses.

(3) Circular Economy Business

In the future, as the proportion of green energy and natural gas power generation increases, electricity costs are bound to rise. The international trend of carbon reduction will make government environmental policies stricter, making business operations more challenging.

(4) Leasing industry

The shortfall of manpower has become increasingly evident in recent years. Large-scale catering and retail industries are facing labor shortages, leading to an extension in the demand and cycle for store expansion.

3. Countermeasure against Unfavorable Factors:

(1) Cement Industry

Seeking quality and stable sources of cement supply, deepening services for existing customers, and flexibly strategizing sales to maximize company profits.

(2) Construction industry

The standard construction regulations are formulated to strengthen site management and avoid unnecessary losses, reduce expenditure, plan not to design too many additions on the appearance of products to control cost, select construction contractors carefully to prevent poor quality and project delay, and the prices of large-scale intact land have risen too much, old cases can be evaluated in the city center for small base integration.

(3) Circular Economy Business

Fully promote ESG, establish and pass the ISO 14001 environmental management system, plan short, medium and long-term goals, and implement the vision of sustainable development.

(4) Leasing industry

In response to the issue of labor shortage, the new store model instead adopts the concept of co-branded approach. It is anticipated that the increased rental area and the cohabitation of multiple brands within the group will share the burden, allowing for the reallocation of personnel at any time, thereby reducing personnel costs, transportation expenses, and offering flexible support.

(2) Main Product Usage and manufacturing processes:

1. Main product:

1) Type 1 Portland cement Usage: Public Works and Architecture

2) Type 2 Portland cement Usage: Public works and construction

3) Furnace Slag Powder Usage: Public Works and Construction

2. Production process:

Cement is made by grinding clinker with gypsum, briefly described as follows:

A.Cement Grinding: The clinker and gypsum cement are ground to the standard fineness (measured by the air permeability method as 337~380) and can be made into cement products. After the cement is produced, the strength during the testing period needs to be established. The current 28-day strength standard for Portland slag cement produced by The Company is 380kg/cm². Also, during the grinding process, suitable silicon, aluminum or slag powders and other additives can be added according to the customers' needs, resulting in the production of 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 unloaded directly from the shipment port to the bulk truck according to the weighbridge scale, while bagged cement is weighed and packaged by the packing machine from the cement storehouse before being loaded for shipment.

(3) Supply of major raw materials:

Material Name	Supply situation
Clinker	Domestic procurement
Gypsum	Domestic procurement
Water-quenched furnace stone	Domestic procurement

(4) Major sales/purchase customers for the most recent two years:

1. Customers accounted for 10% or more of the total sales amount in the recent two years:

	2022				2023			
Item	Name	Amount (Thousand)	Net sales ratio for the year (%)	Relationship with the Issuer	Name	Amount (Thousand)	Net sales ratio for the year (%)	Relationship with the Issuer
1	Liang Hsun Enterprise Co., Ltd.	201,144	11.21	None	Liang Hsun Enterprise Co., Ltd.	256,875	11.30	None
	Others	1,592,871	88.79	None	Others	2,016,643	88.70	None
	Net sales	1,794,015	100.00		Net sales	2,273,518	100.00	

Note: Consolidated financial statement data is used.

2. List of suppliers who accounted for 10% or more of the total purchase amount in the recent two years:

	2022				2023			
Item	Name	Amount (Thousand)	Net purchases ratio for the year (%)	Relationship with the Issuer	Name	Amount (Thousand)	Net purchases ratio for the year (%)	Relationship with the Issuer
1	Taiwan Cement	1,006,799	70.86	None	Taiwan Cement	1,144,820	80.25	None
	Others	414,122	29.14	None	Others	281,823	19.75	None
	Net purchase amount	1,420,921	100.00		Net purchase amount	1,426,643	100.00	

Note 1: Consolidated financial statement data is adopted.

(5) Production volumes and values of major products for the most recent two years:

Unit: metric Ton/ NT\$ Thousand

Year Production Major products (or Dept.)	2022			2023		
	Productivity	Capacity	Production value	Productivity	Capacity	Production value
Cement	871,000	458,971	1,072,227	871,000	308,844	811,861
Furnace slag powder	232,000	136,188	154,611	232,000	63,102	73,934
Total	1,103,000	595,159	1,226,838	1,103,000	371,946	885,795

(6) Sales values of main products for the most recent two years:

Unit: Metric Tons/NT\$ thousand

Year Sales Value Major products (or Dept.)	2022				2023			
	Domestic		Export		Domestic		Export	
	Capacity	Production value	Capacity	Production value	Capacity	Production value	Capacity	Production value
Cement	496,761	1,417,667	0	0	536,034	1,609,030	0	0
Furnace slag powder	144,308	181,322	0	0	168,175	242,815	0	0
Total	641,069	1,598,989	0	0	704,209	1,851,845	0	0

III. Overview on Employees for the most recent two years

(1) The Company

Year		2022	2023	For the year ending April 30, 2024
No. of employees		104	51	51
Average age		55.2	52.4	51.6
Average service years		10.59	10.07	9.15
Education distribution percentage (%)	PhD	0	0	0
	Master	2	6	10
	College	47	55	53
	High school	45	37	35
	Under High school	6	2	2

(2) All companies in the financial statements

Year		2022	2023	For the year ending April 30, 2024
No. of employees		146	102	111
Average age		54	49	47
Average service years		7.93	5.98	5.08
Education distribution percentage (%)	PhD	0	0	0
	Master	6	9	10
	College	48	57	55
	High school	42	31	32
	Under High school	4	3	3

IV. Information on Environmental Protection Expenditure

(1) In the recent two years and up to the date of publication of the annual report, losses due to environmental pollution:

Item	2022	2023	For the year ending April 30, 2024
Pollution status (type, degree)	Air pollution	None	None
Compensation Recipient or Disposal Unit	Environmental Protection Agency	None	None
Compensation amount or disposal situation	NT\$225,000	None	None
Other Losses	None	None	None

(2) Countermeasure:

1. To enhance the inspection and maintenance of packaging equipment, equipment inspection and maintenance records are established to ensure the implementation of inspection and maintenance work and facilitate subsequent inspections.
2. In order to address any abnormalities in equipment, contingency measures have been revised and personnel training has been reinforced to ensure the implementation of contingency measures for abnormalities.

(3) The Company's focus on environmental protection going forward:

1. Strengthen the cleaning of transportation routes and environmental greening on the factory premises.
2. Enhance maintenance work on equipment and ensure the normal operation of air pollution control equipment to prevent pollution incidents.
3. Enhance professional training and management of staff to reduce human errors and strengthen response capabilities in case of abnormal situations.

V. Relations between Labors and Employers

(1) Employee Welfare Programs:

1. Significant Employee Benefits and Implementation:

- (1-) The Company's "Work Rules" are established in accordance with the Labor Standards L and related regulations, and have been approved by the competent authority.
- (2-) The Employee Welfare Committee was established to handle various welfare matters, such as year-end party lucky draw, birthday vouchers, Labor Day gifts, and festival vouchers, all of which have shown excellent results.
- (3-) The self-improvement association for employees has been established to provide direct benefits to staff, such as congratulation and condolence money for employees and their immediate family members' weddings and funerals, emergency relief money, hospitalization consolation money, interest-free loans, accommodation supply, group employee insurance, free health checks, subsidies for group employee travel, etc., leaving the employees without any worries.
- (4-) The Company has established an Employee Training Committee to handle labor education, infuse new knowledge, cultivate business ethics and enhance technical levels and professional ethics.
- (5-) When making a profit, no less than 2% shall be allocated for employees' remunerations.

2. Employee retirement system and implementation status:

To stabilize the lives of employees after retirement, the Company has legally established a retirement process for employees. The seniority of employees before July 1, 2005, has been cleared in accordance with Article 11 of the Labor Retirement Act. Since July 1, 2005, the Company has a defined contribution retirement process based on the "Labor Pension Act" and contributes 6% of the salaries to the employees' personal pension accounts each month. For those who voluntarily contribute to the pension, an additional amount is withheld from their monthly salaries at their voluntary contribution rate and paid to the Labor Insurance Bureau's

personal pension account.

The Company's regulations are as follows according to the Labor Pension Act:

(1-) Voluntary retirement:

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

- ① Those who have worked for more than 15 years and are at least 55 years old.
- ② Those who have been working for more than 25 years.
- ③ Those who have been working for over 10 years and have reached the age of 60.

(2-) Mandatory retirement:

Unless an employee falls under any of the following circumstances, the Company cannot force him/her to retire:

- ① Those who are 65 years old.
- ② Workers who are mentally incapacitated or physically disabled.

The age specified in the preceding paragraph, for those who take on jobs with dangerous or highly physical natures, the Company may apply for adjustment approval with the central competent authority.

But not less than 55 years old.

(2) List any losses suffered by the company in the most recent three years and up to the annual report publication date due to labor disputes:

- 1. List any losses suffered by the company in the most recent three fiscal years and up to the annual report publication date due to labor disputes: None.
- 2. Current and Future Countermeasure: None.
- 3. Current and Future estimated amount: None.

VI. Information security management

(1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for Information security management:

1. Information security risk management framework

The Company, on October 28, 2022, in compliance with the Financial Supervisory Commission's announcement on December 28, 2021, designated one Cyber security officer and one Cyber security specialized staff, and established the "Information Security Management Committee" responsible for setting the Company's Cyber security policy to reduce internal Cyber security risks.

2. Cyber security policy
 - (1-) Implement the execution of information assets and information security management systems.
 - (2-) To prevent the Information System Division from unauthorized access and alterations.
 - (3-) Ensure the availability of system authorizers.
 - (4-) Comply with the requirements of laws and regulations.
 - (5-) Strengthen cyber security education and training.
 - (6-) Audit the implementation of information security irregularly.
 - (7-) Strengthen cyber security joint defense and information sharing.
 3. Specific management plan
 - (1-) Information Security
 - Firewall Setup: Reduces the opportunity for external intrusion.
 - Setting up antivirus software: Reduces virus infection.
 - Mail control: Prevent unsafe emails.
 - Data backup: Daily backup; sent to offsite storage every week to ensure data security.
 - Data Restoration: Conduct at least one restoration drill every year to ensure the effectiveness of the system.
 - Machine Room Protection: Control of machine room temperature, humidity, and personnel access to ensure the safety of the equipment.
 - (2-) Audit Review
 - The Company's cyber security is audited by the internal audit unit and third parties, and irregular reports on implementation and reviews are made to the "Information Security Management Committee" to reduce the cyber security risk of The Company.
 4. Investment in Cyber security resources
 - (1-) ISO 27001 Management Standard.
 - (2-) Network hardware equipment.
 - (3-) Backup Line.
 - (4-) Cloud Services.
 - (5-) Information Security Personnel.
 - (6-) Information Security Education.
 - (7-) Third-party audit.
- (2) In the most recent fiscal year and up to the annual report publication date, the losses due to significant cyber security incidents, the possible impacts, and the countermeasures: None.

VII. Major contracts

(1) The Company

Contract nature	Parties involved	Contract starting and ending date	Main content	Restricted clauses
Lease contract	Zheng Tai Cement Factory Co., Ltd.	2021.01.01-2024.09.30	Leasing the land and production equipment of the company in Kaohsiung	None
Lease contract	CPC Corporation, Taiwan	2021.06.30-2024.12.31	Leased oil factory plot of land	Only for cement manufacturing and processing use
Lease contract	Southern Branch of the National Property Administration	2019.02.01-2027.12.31	Leasing Gaonan Section Land	None
Lease contract	Railway Bureau, Ministry of Transportation	2020.01.01-2024.12.31	Leasing GaoNan Section and ShanDe Section Lands	None
Lease contract	Taiwan Concrete Co., Ltd.	2023.01.01-2024.09.30	Leasing Gaonan Section Land	For raw material stacking only
Lease contract	Taiwan Port Co., Ltd. Kaohsiung Branch	2022.01.28-2042.01.27	Leasing land and equipment of Kaohsiung Port Terminal No.45	None

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

Contract nature	Parties involved	Contract starting and ending date	Main content	Restricted clauses
Lease contract	Taiwan Mixed Resources Development Co., Ltd.	2020.04.01-2040.03.31	Leasing Shande Section Land and Buildings	None
Lease contract	Southeast Cement Co., Ltd.	2022.11.01-2043.10.31	Leasing land in the Chikan section of Daliao District, Kaohsiung City	None

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

Contract nature	Parties involved	Contract starting and ending date	Main content	Restricted clauses
Lease contract	Southeast Cement Co., Ltd.	2022.06.01-2052.05.31	Leasing of Economic and Trade Section Land	None

Chapter VI Financial Overview

I. Five-year Condensed balance sheet and comprehensive income statement

(1) Condensed Consolidated Balance Sheet:

Unit: NT\$1,000

Year		Financial information for the most recent five years				
		2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	2022 (Note 1)	2023 (Note 1)
Item						
Current assets		2,026,192	1,963,779	2,053,373	2,486,102	2,485,708
Property, plant and equipment		226,093	249,698	1,201,139	1,580,344	980,083
Intangible assets		58	23	0	40	26
Other assets		7,488,005	7,651,820	7,703,988	7,923,203	8,355,745
Total Assets		9,740,348	9,865,320	10,958,500	11,989,689	11,821,562
Current liabilities	Before distribution	661,655	723,920	1,683,431	2,381,025	1,740,711
	After distribution	661,655	723,920	1,683,431	2,381,025	1,740,711
Non-current liabilities		507,709	592,681	564,360	881,996	1,055,613
Total liabilities	Before distribution	1,169,364	1,316,601	2,247,791	3,263,021	2,796,324
	After distribution	1,169,364	1,316,601	2,247,791	3,263,021	2,796,324
Equity attributable to owners of parent		8,524,175	8,489,809	8,623,725	8,631,706	8,923,610
Share capital		5,720,008	5,720,008	5,720,008	5,720,008	5,720,008
Capital surplus		188,162	188,267	188,373	188,583	188,688
Retained earnings	Before distribution	2,114,087	2,093,199	2,176,233	2,211,351	2,303,476
	After distribution	2,114,087	2,093,199	2,176,233	2,211,351	2,303,476
Other equity interests		514,103	500,520	551,296	523,949	723,623
Treasury shares		(12,185)	(12,185)	(12,185)	(12,185)	(12,185)
Non-controlling interest		46,809	58,910	86,984	94,962	101,628
Total equity	Before distribution	8,570,984	8,548,719	8,710,709	8,726,668	9,025,238
	After distribution	8,570,984	8,548,719	8,710,709	8,726,668	9,025,238

Note 1: Audited and certified by CPA.

(2) Condensed Individual Balance Sheet:

Unit: NT\$1,000

Year		2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	2022 (Note 1)	2023 (Note 1)
Item						
Current assets		1,427,080	1,363,990	1,421,869	1,268,230	1,104,795
Property, plant and equipment		209,545	226,744	1,121,926	1,237,416	432,542
Intangible assets		0	0	0	0	0
Other assets		7,990,360	7,967,763	8,069,866	9,007,336	9,460,075
Total Assets		9,626,985	9,558,497	10,613,661	11,512,982	10,997,412
Current liabilities	Before distribution	618,549	634,360	1,579,136	2,146,610	1,424,160
	After distribution	618,549	634,360	1,579,136	2,146,610	1,424,160
Non-current liabilities		484,261	434,328	410,800	734,666	649,642
Total liabilities	Before distribution	1,102,810	1,068,688	1,989,936	2,881,276	2,073,802
	After distribution	1,102,810	1,068,688	1,989,936	2,881,276	2,073,802
Share capital		5,720,008	5,720,008	5,720,008	5,720,008	5,720,008
Capital surplus		188,162	188,267	188,373	188,583	188,688
Retained earnings	Before distribution	2,114,087	2,093,199	2,176,233	2,211,351	2,303,476
	After distribution	2,114,087	2,093,199	2,176,233	2,211,351	2,303,476
Other equity interests		514,103	500,520	551,296	523,949	723,623
Treasury shares		(12,185)	(12,185)	(12,185)	(12,185)	(12,185)
Total equity	Before distribution	8,524,175	8,489,809	8,623,725	8,631,706	8,923,610
	After distribution	8,524,175	8,489,809	8,623,725	8,631,706	8,923,610

Note 1: Individual financial statements certified by CPA.

(3) Condensed Consolidated Statement of Comprehensive Income:

Unit: NT\$1,000

Item \ Year	2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	2022 (Note 1)	2023 (Note 1)
Operating revenue	1,584,940	1,590,986	1,846,785	1,794,015	2,273,518
Gross profit	82,289	67,372	134,568	121,279	203,879
Operating profits or losses	(8,509)	(30,573)	12,054	(31,499)	59,378
Non-operating income and expenses	51,653	38,003	137,074	141,176	127,998
Net income before tax	43,144	7,430	149,128	109,677	187,376
Net profits per share from continuing operations	33,243	16,949	133,811	108,124	156,053
Losses from discontinued operations	0	0	0	0	0
Net profits (losses) for the period	33,243	16,949	133,811	108,124	156,053
Other comprehensive income for the period (net after tax)	64,507	689	51,015	(26,916)	199,506
Total comprehensive income for the year	97,750	17,638	184,826	81,208	355,559
Net profits attributable to shareholders of owners of the parent	33,133	22,158	139,985	149,043	149,522
Net profits attributable to non-controlling interests	110	(5,209)	(6,174)	(40,919)	6,531
Total comprehensive income attributable to shareholders of owners of the parent	97,600	22,729	191,010	122,171	348,999
Total comprehensive income attributable to non-controlling interests	150	(5,091)	(6,184)	(40,963)	6,560
Earnings per share	0.06	0.04	0.25	0.26	0.26

Note 1: Audited and certified by CPA.

(4) Condensed Individual Comprehensive Income Statement:

Unit: NT\$1,000

Item \ Year	2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	2022 (Note 1)	2023 (Note 1)
Operating revenue	1,572,842	1,592,259	1,580,865	1,701,471	2,018,776
Gross profit	78,157	67,283	105,688	166,202	164,343
Operating profits or losses	(4,870)	(14,605)	20,029	51,698	59,120
Non-operating income and expenses	48,315	27,272	134,961	98,597	121,077
Net income before tax	43,445	12,667	154,990	150,295	180,197
Net profits per share from continuing operations	33,133	22,158	139,985	149,043	149,522
Losses from discontinued operations	0	0	0	0	0
Net profits (losses) for the period	33,133	22,158	139,985	149,043	149,522
Other comprehensive income for the period (net after tax)	64,467	571	51,025	(26,872)	199,477
Total comprehensive income for the year	97,600	22,729	191,010	122,171	348,999
Net profits attributable to shareholders of owners of the parent	33,133	22,158	139,985	149,043	149,522
Net profits attributable to non-controlling interests	0	0	0	0	0
Total comprehensive income attributable to shareholders of owners of the parent	97,600	22,729	191,010	122,171	348,999
Total comprehensive income attributable to non-controlling interests	0	0	0	0	0
Earnings per share	0.06	0.04	0.25	0.26	0.26

Note 1: Individual financial statements certified by CPA.

(5) The name of CPA for the most recent 5 years:

Year	CPA firm	Accountant name	Opinion
2019	Crowe (TW) CPAs	Shu-Man Tsai, Qing-Lin Li	Unqualified opinion plus other matters section
2020	Crowe (TW) CPAs	Shu-Man Tsai, Qing-Lin Li	Unqualified opinion plus other matters section
2021	Crowe (TW) CPAs	Shu-Man Tsai, Qing-Lin Li	Unqualified opinion plus other matters section
2022	Crowe (TW) CPAs	Shu-Man Tsai, Qing-Lin Li	Unqualified opinion plus other matters section
2023	Crowe (TW) CPAs	Qing-Lin Li, Ling-Wen Huang	Unqualified opinion plus other matters section

II. Five-year Financial Analysis

(1) Consolidated Financial Statement Analysis:

Analysis Items \ Year		2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	2022 (Note 1)	2023 (Note 1)
Financial structure (%)	Debt to assets ratio	12.01	13.35	20.51	27.22	23.65
	Long-term capital to property, plant and equipment ratio	3,790.91	3,423.62	725.20	552.20	948.00
Solvency %	Current ratio	306.23	271.27	121.98	104.41	142.80
	Quick ratio	133.59	114.7	60.11	53.00	65.17
	Interest coverage multiplier	973.18	221.29	1,443.25	708.98	698.97
Operating capacity	Accounts Receivable turnover rate(times)	4.06	3.91	4.88	5.01	4.64
	Average collection days	89.90	93.35	74.79	72.85	78.66
	Payable turnover rate (times)	7.04	7.08	8.12	7.45	7.76
	Inventory turnover rate (times)	2.48	1.98	1.98	1.80	1.88
	Average sales days	147.17	184.34	184.34	202.77	194.14
	Property, plant and equipment turnover rate (times)	7.16	6.69	2.55	1.29	1.78
	Total assets turnover rate (times)	0.17	0.16	0.18	0.16	0.19

Analysis Items \ Year		2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	2022 (Note 1)	2023 (Note 1)
Profitability	Return on assets (%)	0.39	0.22	1.37	1.07	1.53
	Return on equity (%)	0.39	0.20	1.55	1.24	1.76
	Net profits before tax to paid-in capital (%)	0.75	0.13	2.61	1.92	3.28
	Net profit margin (%)	2.10	1.07	7.25	6.03	6.86
	Earnings per share (NT\$)	0.06	0.04	0.25	0.26	0.26
Cash flow	Cash flow ratio (%)	26.87	15.29	15.84	-11.62	15.85
	Cash flow adequacy ratio (%)	32.81	23.59	26.97	11.14	17.14
	Cash reinvestment ratio (%)	1.87	0.84	4.62	-8.45	4.49
Leverage	Operating leverage	-7.77	-1.71	8.25	-2.95	3.08
	Financial leverage	0.63	0.83	12.66	0.64	2.11
Explanation of changes in various financial ratios in the past two years; 1. The reduction in the debt to assets ratio is mainly due to the decrease in short-term borrowings and short-term notes payable in 2023, thus resulting in a decrease in liabilities. 2. The increase in the long-term capital to property, plant and equipment ratio is mainly due to the decrease in property, plant and equipment. 3. Increase in current ratio and quick ratio: Explanation as per the aforementioned point 1. 4. The decrease in the accounts receivable turnover rate is mainly due to the increase in accounts receivable. 5. The increase in Property, plant and equipment turnover rate (times) is mainly due to the reduction in Property, plant and equipment. 6. Decrease in the interest coverage multiplier ratio: Mainly due to the increase in interest expenses in 2023. 7. The increase in Return on assets and Return on equity is mainly due to the increase in net profit after tax in 2023. 8. Net income before tax to capital ratio increased: Explanation as per the aforementioned point 7. 9. Net profit margin increase: Explanation as per the aforementioned point 7. 10. The increase in cash flow ratio and reinvestment ratio is mainly due to the increase in net cash inflow from operating activities in 2023. 11. Increase in Cash flow adequacy ratio: Explanation as per the aforementioned point 10. 12. The increase in operating leverage is mainly due to the increase in operating revenue. 13. Increase in financial leverage: It's mainly due to the increase in operating profit.						

Note 1: Audited and certified by CPA.

1. Financial structure
 - (1) Debt 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 = current assets/current liabilities.
 - (2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities.
 - (3) Interests coverage multiplier = net profits before tax and interest expense/interest expense for the period.
3. Operating capacity
 - (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
 - (2) Average collection days = 365/ receivable turnover rate.
 - (3) Inventory turnover rate = costs of goods sold/average inventory.
 - (4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold / balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).
 - (5) Average sales days = 365/inventory turnover rate.
 - (6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment.
 - (7) Total assets turnover rate = net sales/average total assets.
4. Profitability
 - (1) Return on assets = [net profits after tax + interest expense x (1 - tax rate)]/average total assets.
 - (2) Return on equity = net profits after tax/average net equity.
 - (3) Net profit margin = net profits after tax/net sales
 - (4) Earnings per share = (net profits attributable to shareholders of owners of the parent - preferred stock dividend)/ weighted average number of shares outstanding. (Note 1)
5. Cash flow
 - (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
 - (2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years.
 - (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capital). (Note 2)
6. Leverage:
 - (1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating profits (Note 3).
 - (2) Financial leverage = operating profits / (operating profits - interest expense).

Note 1: The formula for calculating the above Earnings per share should pay special attention to the following Special matters when measuring:

 1. Based on the weighted average number of common stock shares, not on the number of shares issued at year-end.
 2. For those who have cash capital increase or treasury share transactions, the circulation period should be considered when calculating the weighted average number of shares.

3. For those who increase their capital by profits or by capital surplus, when calculating earnings per share for the past years and semi-annual periods, it shall be retroactively adjusted in accordance with the rate of capital increase, without considering the issuance period of such increase.
4. If the preferred stock is cumulative and non-convertible, its annual dividend (whether it is distributed or not) should be subtracted from the net profit after tax, or added to the net loss after tax. If the preferred shares are of non-cumulative nature, the dividends of the preferred shares should be deducted from the net profit after tax when there is a net profit after tax; if there is a loss, no adjustment is necessary.

Note 2: Special attention should be paid to the following matters when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual net cash outflow from capital investments.
3. The increase in inventory is only included when the ending balance is larger than the beginning balance. If the inventory decreases at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends for both common stock and preferred shares.
5. The gross amount of property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 3: The issuer should categorize all operating costs and expenses by their nature into fixed and variable ones. If there is any estimation or subjective judgment involved, its reasonableness should be noted and maintained consistently.

(2) Analysis of Individual Financial Statements:

Year Analysis Items		2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	2022 (Note 1)	2023 (Note 1)
Financial structure (%)	Debt to assets ratio	11.46	11.18	18.75	25.03	18.86
	Long-term capital to property, plant and equipment ratio	4,067.97	3,744.23	768.65	697.56	2,063.06
Solvency %	Current ratio	230.71	215.02	90.04	59.08	77.58
	Quick ratio	90.78	100.47	46.43	25.90	45.02
	Interest coverage multiplier	981.77	401.38	1975.48	1092.50	804.28
Operating capacity	Receivable turnover rate(times)	4.03	3.92	4.37	5.01	4.49
	Average collection days	90.57	93.11	83.52	72.85	81.29
	Payable turnover rate (times)	7.25	7.97	8.34	8.22	9.00
	Inventory turnover rate (times)	2.72	2.88	2.92	2.96	4.02
	Average sales days	134.19	126.73	125	123.31	90.79
	Property, plant and equipment turnover rate (times)	7.51	7.02	1.41	1.38	4.67
	Total assets turnover rate (times)	0.16	0.17	0.15	0.15	0.18
Profitability	Return on assets (%)	0.40	0.27	1.46	1.46	1.52
	Return on equity (%)	0.39	0.26	1.64	1.73	1.70
	Net profits before tax to paid-in capital (%)	0.76	0.22	2.71	2.63	3.15
	Net profit margin (%)	2.11	1.39	8.85	8.76	7.41
	Earnings per share (NT\$)	0.06	0.04	0.25	0.26	0.26
Cash flow	Cash flow ratio (%)	35.25	19.59	15.93	13.94	21.47
	Cash flow adequacy ratio (%)	85.80	79.07	49.21	60.92	63.03

Year		2019	2020	2021	2022	2023
Analysis Items		(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
	Cash reinvestment ratio (%)	2.50	1.05	5.54	4.14	5.58
Leverage	Operating leverage	-12.80	-3.58	4.55	2.97	2.53
	Financial leverage	0.50	0.78	1.70	1.41	1.76
Explanation of changes in various financial ratios in the past two years; 1. Decrease in the Debt to assets ratio: Same as the consolidated financial status. 2. Increase in the long-term capital to property, plant and equipment ratio: Same as the consolidated financial status. 3. Increase in Current ratio and Quick ratio: Same as the consolidated financial status. 4. Decrease in average collection days: Same as the consolidated financial status. 5. Increase in Property, plant and equipment turnover rate: Same as the consolidated financial status. 6. Interest coverage multiplier ratio decreases: Same as the consolidated financial status. 7. Return on equity increases: mainly due to the increase in net income after tax and interest expenses in 2023. 8. Decrease in net profit margin: Mainly due to the increase in net sales in 2023. 9. Increase in cash flow ratio and cash reinvestment ratio: Same as the consolidated financial status. 10. Increase in Cash flow adequacy ratio: Explanation as per the aforementioned point 9. 11. Increase in Operating leverage: Mainly due to the increase in operating profit. 12. Increase in financial leverage: Explanation as per the aforementioned point 11.						

Note 1: Audited and certified by CPA.

1. Financial structure

- (1) Debt 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 = current assets/current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities.
- (3) Interests coverage multiplier = net profits before tax and interest expense/interest expense for the period.

3. Operating capacity

- (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
- (2) Average collection days = 365/ receivable turnover rate.
- (3) Inventory turnover rate = costs of goods sold/average inventory.
- (4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold / balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).
- (5) Average sales days = 365/inventory turnover rate.
- (6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment.
- (7) Total assets turnover rate = net sales/average total assets.

4. Profitability

- (1) $\text{Return on assets} = [\text{net profits after tax} + \text{interest expense} \times (1 - \text{tax rate})] / \text{average total assets}.$
- (2) $\text{Return on equity} = \text{net profits after tax} / \text{average total equity}.$
- (3) $\text{Net profit margin} = \text{net profits after tax} / \text{net sales}.$
- (4) $\text{Earnings per share} = (\text{net profits attributable to shareholders of owners of the parent} - \text{preferred stock dividend}) / \text{weighted average number of shares outstanding}.$ (Note 1)

5. Cash flow

- (1) $\text{Cash flow ratio} = \text{net cash flow from operating activities} / \text{current liabilities}.$
- (2) $\text{Cash flow adequacy ratio} = \text{sum of net cash flow from operating activities for the most recent 5 years} / \text{sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years}.$
- (3) $\text{Cash reinvestment ratio} = (\text{net cash flow from operating activities} - \text{cash dividends}) / (\text{gross property, plant, and equipment} + \text{long-term investment} + \text{other non-current assets} + \text{working capitals}).$ (Note 2)

6. Leverage:

- (1) $\text{Operating leverage} = (\text{net operating revenues} - \text{variable operating costs and expenses}) / \text{operating profits}$ (Note 3).
- (2) $\text{Financial leverage} = \text{operating profits} / (\text{operating profits} - \text{interest expense}).$

Note 1: The formula for calculating the above Earnings per share should pay special attention to the following Special matters when measuring:

1. Based on the weighted average number of common stock shares, not on the number of shares issued at year-end.
2. For those who have cash capital increase or treasury share transactions, the circulation period should be considered when calculating the weighted average number of shares.
3. For those who increase their capital by profits or by capital surplus, when calculating earnings per share for the past years and semi-annual periods, it shall be retroactively adjusted in accordance with the rate of capital increase, without considering the issuance period of such increase.
4. If the preferred stock is cumulative and non-convertible, its annual dividend (whether it is distributed or not) should be subtracted from the net profit after tax, or added to the net loss after tax. If the preferred shares are of non-cumulative nature, the dividends of the preferred shares should be deducted from the net profit after tax when there is a net profit after tax; if there is a loss, no adjustment is necessary.

Note 2: Special attention should be paid to the following matters when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual net cash outflow from capital investments.
3. The increase in inventory is only included when the ending balance is larger than the beginning balance. If the inventory decreases at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends for both common stock and preferred shares.
5. The gross amount of property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 3: The issuer should categorize all operating costs and expenses by their nature into fixed and variable ones. If there is any estimation or subjective judgment involved, its reasonableness should be noted and maintained consistently.

Note 4: For companies whose shares are of no par value or whose par value per share is not NTD 10,

the calculation relating to the proportion of paid-in capital will be adjusted to the ratio of equity attributable to owners of parent as indicated in the balance sheet.

III. Review report on the financial reports of the most recent year by the Audit Committee

Audit Committee's Review Report

The Board of Directors has prepared The Company's 2023 Business Report, Financial Statements (including individual and consolidated financial statements), and proposals for profit distribution, etc. The Financial Statements have been audited and completed by Ching-Lin Lee, CPA and Ling-Wen Huang, CPA of Crowe (TW) CPAs commissioned by the Board of Directors, and an audit report has been issued.

The above-mentioned business report, financial statements, and profit distribution proposal have been reviewed by the Audit Committee, and no discrepancies have been found. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby report as above, and humbly ask for your review.

Yours sincerely,

2024 General Shareholders' Meeting, Southeast Cement Co., Ltd.

Southeast Cement Co., Ltd.

Chairperson, the Audit Committee:

March 14, 2024

IV. Latest Consolidated Financial Statements

The consolidated financial report for the most recent year, including the CPA's audit report, comparative balance sheets for two years, comprehensive income statement, statement of changes in equity, cash flow statement, and attached notes or schedules:

Southeast Cement Co., Ltd Statement of Declaration

For the fiscal year 2023 (from January 1, 2023 to December 31, 2023), the companies that should be included in the preparation of the consolidated financial statements of affiliated enterprises in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", are the same as the companies that should be included in the preparation of the parent-subsidary consolidated financial statements in accordance with International Financial Reporting Standard No. 10 approved by the Financial Supervisory Commission. Because all relevant information to be disclosed in the consolidated financial statements of affiliated enterprises has been disclosed in the aforementioned parent-subsidary consolidated financial statements, no separate consolidated financial statements of affiliated enterprises need be prepared.

Hereby Declare(s)

Company name: Southeast Cement Co., Ltd.
Registered Representative: Min-Tuan Chen

March 14, 2024

Independent Auditors' Report

To Southeast Cement Co., Ltd.

Audit Opinion

We have audited the consolidated balance sheets of Southeast Cement Co., Ltd. and Subsidiaries (hereinafter referred to as “the Group”) as on December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the years ended December 31, 2023 and 2022, and the consolidated statements of comprehensive income, and notes to the consolidated financial statements, (including a summary of significant accounting policies).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matters section), the aforementioned consolidated financial statements present fairly, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, adequately present the consolidated financial position of the Group as in 2023 and on December 31, 2022, and consolidated financial performance and consolidated cash flows from January 1 to December 31, 2022, and 2023, respectively.

Basis for Audit Opinion

The accountants perform audits in accordance with the rules governing accountants overseeing and certifying financial statements and auditing standards. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidate Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Certified Public Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Predicated on this accountant’s audit results and those of other accountants, this accountant believes sufficiently sound and credible audit evidence has been duly elucidated as a competent basis for expressing this audit opinion.

Key Audit Items

Key Audit Items are those matters that, in accordance with our accountant’s professional judgment, are of most significance in performing the fiscal year 2023 audit of the consolidated financial statements of the Group. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key Audit Items for the 2023 consolidated financial statements (CSF) of the Group include:

1. Revenue Recognition

Please refer to CSF Note IV(XIX) for accounting policies relating to revenue recognition. For important accounting judgments, estimates, and assumptions in relation to revenue recognition, please refer to CFS Note V(I)2; and, for the situation of revenue recognition, please refer to CFS Note VI(XXXIII).

Explanation about Key Audit Items:

The Group is primarily engaged in manufacturing and selling various cement-related products, its operations may be significantly impacted by factors such as raw material prices, market demand and supply, and economic conditions. Also, revenues from cement sales are only recognized when the customer withdraws the cement, fulfilling the performance obligation. Therefore, recognition of revenue from cement sales was identified as a key audit matter for the year ended 2023.

Audit Procedures Implementation:

This accountant primary audit procedures include understanding and testing design and effective implementation for internal controls regarding cement sales revenue, drawing samples from sales ledgers, verifying relevant transactional vouchers to verify revenue recognition authenticity, and obtaining subsequent sales details for review as for any significant sales returns and allowances, confirming whether any significant anomalies exist in revenue recognition and to perform cut-off tests for sales revenue.

Other Items

Certain subsidiaries' financial statements included within the aforesaid consolidated financial statements and investments accounted for using the equity method were audited by other auditors, and not by us. Therefore, our opinions expressed in the aforesaid consolidated financial statements by this accountant, regarding any such amounts listed in the company's financial statements, are based on the audit reports authored by other accountants. These subsidiaries' total assets as of December 31, 2023 and 2022 were NTD 84,956 thousand and NTD 84,248 thousand, respectively, representing 0.72% and 0.70% of total consolidated assets. Total liabilities were NTD 23,726 thousand and NTD 23,459 thousand, representing 0.85% and 0.72% of total consolidated liabilities, respectively. Operating revenues for the years 2023 and 2022 were NTD 238 thousand and NTD 233 thousand, representing 0.01% and 0.01% of consolidated operating revenue, respectively. Total comprehensive income, net of tax was NTD 442 thousand and NTD (2,824) thousand, representing 0.12% and (3.48%) of total consolidated comprehensive income, respectively. As on December 31, 2022 and 2023, investments in these related entities accounted for by using equity method amounted to NTD 464,735 thousand and NTD 456,791 thousand, respectively, representing 3.93% and 3.81% of total consolidated assets. Contributions to share of profit (loss) of related entities and joint ventures accounted for by using equity method for the years 2023 and 2022 were NTD 1,389 thousand and NTD (956) thousand, respectively, representing 0.74% and (0.87%) of profit before tax. Share of other comprehensive income of related entities and joint ventures accounted for by using equity method was NTD 6,553 thousand and NTD (973) thousand, respectively, representing 3.28% and 3.61% of other comprehensive net income. Southeast Cement Co., Ltd. has prepared the 2022 and 2023 parent-company-only financial statements and obtained the audit report with an unqualified opinion plus a paragraph on Others has been issued by the accountant and is maintained on file for reference, of record.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the CFS in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, interpretations and directives approved and promulgated by the Financial Supervisory Commission. Management is also responsible for maintaining requisite internal controls regarding preparing CFS, ensuring the CFS have no misrepresentations which might materialize from fraud or errors.

In preparing the CFS, management is responsible for assessing the Group's ability to continue operating, disclosing appropriate matters, adopting a basis in accounting for continuing operations, unless management intends to liquidate the Group or cease operations, or there are no other feasible options other than such liquidation or winding up.

The Southeast Cement Co., Ltd. governance unit (including the Audit Committee) carries responsibility to supervise the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

This accountant's CFS audit aims to elicit reasonable assurance as to whether the CFS in their entirety are free from any material misstatement, including any due to fraud or error, and to issue an audit report Opinion. Reasonable assurance refers to a high level in assurance, but due to the audit standards generally accepted in the Republic of China, auditing procedures wholly cannot guarantee detection of all CFS significant misrepresentations. Misrepresentation may arise from fraud or mere error. If individual or aggregated false expressions may reasonably be expected to adversely affect economic/financial decisions by CFS users, such misrepresentation is considered to bear significance.

In deploying auditing standards, this accountant conducts the audit using professional judgment and appropriate skepticism. The accountant also undertakes the following tasking:

1. Identifying and evaluating CFS significant misstatement risks due to fraud or error; designing and implementing appropriate responses for such risks; and obtaining sufficient and appropriate audit evidence as the basis for the audit report Opinion. In consequence of fraud potentially involving collusion, forgeries, deliberate omissions, false declarations, or breaching of internal controls, inherent risks for not detecting material misstatements resulting from fraud are higher than those resulting from errors.
2. Obtaining understanding for internal audit controls, necessary to designing audit procedure appropriate in the circumstances, but not for expressing any opinion on efficacy in the Group's internal controls.
3. Evaluating appropriateness of management accounting policies, and the reasonableness of accounting estimates and relevant disclosures. From audit evidence, conclusions are determined on management appropriateness for the going concern accounting basis, as well as any significant uncertainties as to events or situations raising substantial doubt about the Group's abilities for continuing as a going concern. If the accountant believes that there are significant uncertainties with these events or situations, it is required to

remind the users of the consolidated financial statements to pay attention to the relevant disclosures in the consolidated financial statements in the audit report, or to modify the audit opinion when these disclosures are inappropriate. This accountant's conclusions are founded upon audit evidence obtained as of the audit report date. However, future events or circumstances may arise such that the Group no longer possesses the ability to continue operations.

4. Assessing the overall presentation, structure, and content (including relevant notes) of the CFS, and whether the CFS appropriately presents the relevant transactions and events.
5. Obtaining sufficient and appropriate audit evidence for financial information pertaining to entities within the Group to express an opinion on the CFS. The accountant is responsible for guidance, supervising, and implementing audits, and responsible for formulating the Audit Opinion for the Group.

Matters communicated with the (company's) governance unit by this accountant, including planned audit scope and timing, along with significant audit findings (including any significant deficiencies in internal controls identified during the audit process).

The accountant also provides the governance unit a statement from personnel subject to the independence standards of the firm to which the accountant belongs, declaring their adherence to provisions on independence in the professional ethical norms for accountants, and communicating with the governing unit all relationships and other matters (including any needed protective precautions) possibly deemed affecting the accountant's independence.

The auditor determined the key audit matters for the Group's 2023 CFS from matters discussed with the governance unit. We discussed the matters in our audit report, and unless the laws and regulations precluded public disclosure about the matter or, in extremely rare circumstances, we determined that a matter should not be communicated in our report due to adverse consequences reasonably expected to outweigh the public interest benefits of such communication.

Crowe Horwath United Certified Public

Accountant: Ching-Lin Li

Accountant: Ling-Wen Huang

Approval Document Number: FSC Securities Review No. 10200032833

March 14, 2024

Southeast Cement Co., Ltd. and its subsidiaries

Consolidated Balance Sheets

December 31st, 2022 and 2023

Unit: NTD 1,000

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and Cash Equivalents (Note VI (I))	\$ 287,887	2	\$ 296,374	2
1110	Current financial assets at fair value through profit or loss (Note VI(II))	241,358	2	557,515	5
1150	Notes Receivable, net (Note VI(III))	239,044	2	246,783	2
1170	Accounts receivable, net (Note VI(IV))	323,104	3	93,861	1
1180	Accounts receivable due from related entities, net (Note VII)	42,063	-	34,243	-
1200	Other Receivables (Note VI(V))	989	-	33,269	-
1220	Current tax assets	944	-	444	-
130x	Current inventories (Note VI (VI))	1,188,767	11	1,016,152	9
1410	Prepayments (Note VI (VII))	65,923	1	40,921	-
1476	Other current financial assets (Note VI (IX))	93,629	1	164,540	1
1480	Current assets recognized as incremental costs to obtain contracts with customers (Note VI(X))	2,000	-	2,000	-
11xx	Total current assets	2,485,708	22	2,486,102	20
	Non-current assets				
1517	Non-current financial assets at fair value through other comprehensive income (Note VI (XI))	1,421,796	12	1,233,829	11
1550	Investments accounted for by using equity method (Note VI (XII))	587,585	5	592,475	5
1600	Property, plant and equipment (Note VI (XIII))	980,083	8	1,580,344	13
1755	Right-of-use assets (Note VI (XIV))	627,829	5	712,728	6
1760	Investment property, net (Note VI (XV))	5,631,299	48	5,290,015	44
1780	Intangible Assets (Note VI (XVI))	26	-	40	-
1840	Deferred tax assets (Note VI (XXXIX))	51,105	-	75,158	1
1920	Guarantee deposits paid (Note VI (XVII))	36,131	-	18,998	-
15xx	Total non-current assets	9,335,854	78	9,503,587	80
1xxx	Total assets	\$ 11,821,562	100	\$ 11,989,689	100

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Code	Liabilities and equities	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current liabilities				
2100	Current borrowings (Note VI (XVIII))	\$ 898,000	8	\$ 1,530,000	13
2110	Short-term notes payable (Note VI (XIX))	294,795	3	419,705	4
2130	Current contract liabilities (Note VI (XX))	43,681	-	18,870	-
2150	Notes payable	17,722	-	1,920	-
2170	Accounts payable	263,293	3	250,786	2
2200	Other payables (Note VI (XXI))	141,645	1	89,387	-
2230	Current tax liabilities	39,544	-	-	-
2250	Current Provisions (Note VI (XXII))	1,769	-	1,441	-
2280	Current lease liabilities (Note VI (XIV))	38,976	-	67,398	-
2300	Other current liabilities	1,286	-	1,518	-
21xx	Total current liabilities	1,740,711	15	2,381,025	19
	Non-current liabilities				
2540	Non-current portion of non-current borrowings (Note VI(XXIII))	265,900	2	-	-
2570	Deferred tax liabilities (Note VI (XXXIX))	269,188	2	301,448	3
2580	Non-current lease liabilities (Note VI (XIV))	504,194	5	568,720	5
2645	Guarantee deposits received (Note VI (XXV))	16,331	-	11,828	-
25xx	Total non-current liabilities	1,055,613	9	881,996	8
2xxx	Total liabilities	2,796,324	24	3,263,021	27
	Equity				
	Equities attributable to owners of parent				
3100	Share Capital (Note VI (XXVI))				
3110	Ordinary share(s)	5,720,008	48	5,720,008	48
3200	Capital Surplus (Note VI (XXVII))	188,688	2	188,583	2
3300	Retained earnings				
3310	Legal reserve	1,084,664	9	1,069,712	9
3320	Special Reserve (Note VI(XXIX))	810,918	7	810,918	7
3350	Unappropriated retained earnings (Note VI (XXVIII))	407,894	3	330,721	3
3400	Other Equity Interest (Note VI (XXX))	723,623	6	523,949	4
3500	Treasury shares (Note VI (XXXI))	(12,185)	-	(12,185)	-
31xx	Total equities attributable to owners of parent	8,923,610	75	8,631,706	73
36xx	Non-controlling interests (Note VI(XXXII))	101,628	1	94,962	-
3xxx	Total equity	9,025,238	76	8,726,668	73
	Total liabilities and equity	\$ 11,821,562	100	\$ 11,989,689	100

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and its subsidiaries

Consolidated Statement of Comprehensive Income

For January 1st to December 31st, 2022 and 2023, respectively.

Unit: NTD 1,000

Code	Item(s)	2023		2022	
		Amount	%	Amount	%
4000	Operating Revenue (Note VI (XXXIII))	\$ 2,273,518	100	\$ 1,794,015	100
5000	Operating costs (Note VI(VI))	(2,069,639)	(91)	(1,672,736)	(93)
5900	Gross profit (loss) from operations	203,879	9	121,279	7
	Operating expenses				
6100	Sales (marketing) expenses	(20,879)	(1)	(28,258)	(2)
6200	Administrative expenses	(126,587)	(6)	(124,859)	(7)
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9 (Expenses) (Note VI(IV))	2,965	-	339	-
6000	Total operating expenses	(144,501)	(7)	(152,778)	(9)
6900	Net operating income (loss)	59,378	2	(31,499)	(2)
	Non-operating income and expenses				
7100	Interest Income (Note VI (XXXV))	6,296	-	4,273	-
7010	Other Income (Note VI (XXXVI))	74,585	3	184,094	10
7020	Other gains and losses (Note VI (XXXVII))	65,548	3	(38,448)	(2)
7050	Finance costs (Note VI(XXXVIII))	(31,283)	(1)	(18,010)	(1)
7060	Share of profit or loss of related entities and joint ventures accounted for using equity method	12,852	1	9,267	1
7000	Total non-operating income and expenses	127,998	6	141,176	8
7900	Profit (loss) before tax	187,376	8	109,677	6
7950	Tax income (expense) (Note VI(XXXIX))	(31,323)	(1)	(1,553)	-
8200	Profit (loss)	156,053	7	108,124	6
	Other Comprehensive Income (Note VI (XL))				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	193,248	8	(25,105)	(1)
8320	Share of other comprehensive income of related entities and joint ventures accounted for using equity method	6,258	-	(1,811)	-
8300	Other comprehensive income, net	199,506	8	(26,916)	(1)
8500	Total comprehensive income	\$ 355,559	15	\$ 81,208	5

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Code	Item(s)	2023		2022	
		Amount	%	Amount	%
8600	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	\$ 149,522	7	\$ 149,043	8
8620	Profit (loss), attributable to non-controlling interests	6,531	-	(40,919)	(2)
		<u>\$ 156,053</u>	<u>7</u>	<u>\$ 108,124</u>	<u>6</u>
8700	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 348,999	15	\$ 122,171	7
8720	Comprehensive income, attributable to non-controlling interests	6,560	-	(40,963)	(2)
		<u>\$ 355,559</u>	<u>15</u>	<u>\$ 81,208</u>	<u>5</u>
	Earnings per share				
9750	Basic earnings per share (Note VI (XLI))	<u>\$ 0.26</u>		<u>\$ 0.26</u>	
9850	Diluted earnings per share (Note VI (XLI))	<u>\$ 0.26</u>		<u>\$ 0.26</u>	

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and its subsidiaries
Consolidated Statement of Changes in Equity
For January 1st to December 31st, 2022 and 2023, respectively.

Unit: NTD 1,000

	Equities attributable to owners of parent									
	Retained earnings					Total other equity interest				Total equity
	Ordinary share(s)	Capital surplus	Legal reserve	Special reserves	Unappropriated retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	
Balance as of January 1, 2022	\$ 5,720,008	\$ 188,373	\$ 1,055,689	\$ 810,918	\$ 309,626	\$ 551,296	\$ (12,185)	\$ 8,623,725	\$ 86,984	\$ 8,710,709
Appropriation and distribution of retained earnings:										
Legal reserves appropriated	-	-	14,023	-	(14,023)	-	-	-	-	-
Cash dividends of ordinary share(s)	-	-	-	-	(114,400)	-	-	(114,400)	-	(114,400)
Net profit (net loss) for 2022	-	-	-	-	149,043	-	-	149,043	(40,919)	108,124
2022 other comprehensive income	-	-	-	-	-	(26,872)	-	(26,872)	(44)	(26,916)
Total comprehensive income, net of tax for the year 2022	-	-	-	-	149,043	(26,872)	-	122,171	(40,963)	81,208
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	210	-	-	-	-	-	210	-	210
Changes in non-controlling interests	-	-	-	-	-	-	-	-	48,941	48,941
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	475	(475)	-	-	-	-
Balance as of December 31, 2022	5,720,008	188,583	1,069,712	810,918	330,721	523,949	(12,185)	8,631,706	94,962	8,726,668
Appropriation and distribution of retained earnings:										
Legal reserves appropriated	-	-	14,952	-	(14,952)	-	-	-	-	-
Cash dividends of ordinary share(s)	-	-	-	-	(57,200)	-	-	(57,200)	-	(57,200)
Net profit (net loss) for the year 2023	-	-	-	-	149,522	-	-	149,522	6,531	156,053
2023 Other comprehensive income	-	-	-	-	-	199,477	-	199,477	29	199,506
Total comprehensive income for 2023	-	-	-	-	149,522	199,477	-	348,999	6,560	355,559
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	105	-	-	-	-	-	105	-	105
Changes in non-controlling interests	-	-	-	-	-	-	-	-	106	106
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(197)	197	-	-	-	-
Balance as of December 31, 2023	\$ 5,720,008	\$ 188,688	\$ 1,084,664	\$ 810,918	\$ 407,894	\$ 723,623	\$ (12,185)	\$ 8,923,610	\$ 101,628	\$ 9,025,238

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and its subsidiaries

Consolidated Statements of Cash Flow

For January 1st to December 31st, 2022 and 2023, respectively.

Unit: NTD 1,000

Item(s)	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flows from (used in) operating activities		
Profit (loss) before tax for the period	\$ 187,376	\$ 109,677
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	103,645	102,851
Amortization expense	31	16
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 amount(s)	(2,965)	(339)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(15,573)	40,117
Interest expense	31,283	18,010
Interest income	(6,296)	(4,273)
Dividend income	(55,983)	(54,256)
Share of loss (profit) of related entities and joint ventures accounted for by using equity method	(12,852)	(9,267)
Loss (gain) on disposal of property, plants and equipment	(3,488)	-
Property, plants and equipment transferred to expenses	617	-
Loss (gain) on disposal of non-current assets classified as held for sale	(167,435)	-
Impairment loss on financial assets	-	702
Reversal of impairment loss on financial assets	-	6,974
Impairment loss on non-financial assets	50,002	-
Profit from lease modification	(946)	-
Other adjustments to reconcile profit (loss)	105	210
Total adjustments to reconcile profit (loss)	(79,855)	100,745
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	331,730	(348,947)
Decrease (increase) in notes receivable	10,123	(50,092)
Decrease (increase) in accounts receivable	(236,482)	19,482
Decrease (increase) in other receivable	30,234	(30,514)
Decrease (increase) in inventories	(182,120)	(176,152)
Decrease (increase) in other prepayments	(25,002)	(4,098)
Decrease (increase) in other financial assets	70,911	(2,915)
Total changes in operating assets	(606)	(593,236)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	24,811	(12,331)
Increase (decrease) in notes payable	15,802	224
Increase (decrease) in accounts payable	12,507	56,263
Increase (decrease) in other payable	60,378	714

(Continued on next page)

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Item(s)	January 1 to December 31, 2023	January 1 to December 31, 2022
Increase (decrease) in provisions	\$ 328	\$ (131)
Adjustments for increase (decrease) in other current liabilities	(232)	(7,010)
Total changes in operating liabilities	113,594	37,729
Total changes in operating assets and liabilities	112,988	(555,507)
Total adjustments	33,133	(454,762)
Cash inflow (outflow) generated from operations	220,509	(345,085)
Interest received	7,193	3,747
Dividends received	79,983	80,863
Interest paid	(31,346)	(17,483)
Income taxes refund (paid)	(486)	1,320
Net cash flows from (used in) operating activities	275,853	(276,638)
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(1,134)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	6,159	542
Net cash flow from acquisition of subsidiaries	-	882
Proceeds from disposal of non-current assets classified as held for sale	1,056,004	-
Acquisition of property, plants and equipment	(412,417)	(193,207)
Proceeds from disposal of property, plants and equipment	5,500	-
Increase in refundable deposits	(17,133)	(6,243)
Acquisition of intangible assets	(17)	(56)
Acquisition of use-of-right assets	(33,050)	(23,947)
Acquisition of investment properties	(293,469)	(114,286)
Decrease in long-term lease and instalment receivables	1,415	1,400
Net cash flows from (used in) investing activities	311,858	(334,915)
Cash flows from (used in) financing activities		
Increase in short-term loans	-	290,000
Decrease in short-term loans	(632,000)	-
Increase in short-term notes and bills payable	-	338,000
Decrease in short-term notes and bills payable	(125,000)	-
Proceeds from long-term debt	265,900	-
Increase in guarantee deposits received	4,503	-
Decrease in guarantee deposits received	-	(12,129)
Payments of lease liabilities	(52,507)	(61,989)
Cash dividends paid	(57,200)	(114,400)
Change in non-controlling interests	106	48,941
Net cash flows from (used in) financing activities	(596,198)	488,423
Net increase (decrease) in cash and cash equivalents	(8,487)	(123,130)
Cash and cash equivalents at beginning of period	296,374	419,504
Cash and cash equivalents at end of period	\$ 287,887	\$ 296,374

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

For January 1st to December 31st, 2022 and 2023, respectively.

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

I. Company History

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

- II. The consolidated financial statements are expressed in the functional currency of the Company, the New Taiwan Dollar (NTD). The Authorization of Financial Statements
- III. This consolidated financial statement was issued after being approved by the Board of Directors on March 14, 2024. Application of New and Revised Standards and Interpretations.
- (I) The impact of adopting the International Financial Reporting Standards (IFRSs), International Accounting Standards, interpretations and directives which have been approved and promulgated by the Taiwan Financial Supervisory Commission (hereinafter referred to as "FSC"):

The table below lists the new releases, amendments, and revisions of the International Financial Reporting Standards accepted by the Taiwan Financial Supervisory Commission for use in 2023:

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendment to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 3)
Amendments to IAS 12 "International Tax Changes - Pillar Two Blueprint"	(Note 4)

- (Note 1)** The amendment applies to annual reporting periods beginning after January 1, 2023.
- (Note 2)** The amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.
- (Note 3)** Except for additional provisions related to temporary differences associated with leases and decommissioning obligations, this amendment applies to transactions occurring after the start date of the earliest comparison period expressed (January 1, 2022).
- (Note 4)** Regarding the temporary exception provision of IAS 12 (i.e., enterprises shall not recognize deferred tax assets and liabilities related to Pillar 2 income tax, nor disclose its related information; however, enterprises should disclose in the financial statements that they have applied this exception provision), it should be retrospectively applied according to IAS 8 immediately after this amendment is issued (May 23, 2023). The other disclosure regulations apply to the fiscal reporting periods commencing after January 1, 2023; interim reports ending before December 31, 2023 are not required to disclose such Other Information.

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

This amendment clarifies that when the scale or nature of a transaction, other matters or situations is significant, and the related accounting policy information is also significant for the financial statements, said related significant accounting policy information should be disclosed. On the contrary, if a company determines that the scale or nature of a transaction, other matters or situations is not significant or, although significant, the information on the related accounting policies is not significant, it is not necessary to disclose such insignificant accounting policy information. However, the company's conclusion that the accounting policy information is insignificant does not affect the related disclosure prescribed by other IFRS standards.

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

This amendment defines accounting estimates as monetary amounts in the financial statements affected by measurement uncertainty, providing additional explanation that, apart from corrections of prior period errors, changes in inputs or measurement techniques that affect accounting estimates are considered changes in accounting estimates.

3. Amendment to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction."

This amendment narrows the scope of recognition exemptions for Deferred tax liabilities and Assets in paragraphs 15 and 24 of IAS 12. If the amounts of taxable temporary difference and deductible temporary difference generated at the original recognition of a single transaction are the same, the aforementioned exemption provision is not applicable. Upon first application of this amendment, the enterprise should recognize deferred income taxes for all temporary differences related to lease and decommissioning obligations starting from the earliest comparative period presented (January 1, 2022), and on that date, recognize the accumulated effects as an adjustment to the opening balance of Retained earnings (or other components of Equity, as appropriate). Transactions occurring after January 1, 2022, should defer the application of this amendment.

4. Amendment to IAS 12 "International Tax Reforms - Pillar Two Framework"

This amendment stipulates that as a temporary exception to IAS 12, enterprises shall not recognize deferred tax assets and liabilities related to Pillar Two income tax under international tax reform(s), nor shall they disclose related information. However, enterprises are required to disclose in the financial statements that they have applied this exception. In addition, companies should separately disclose current tax expense (income) related to Pillar Two income tax. If Pillar Two legislation has been enacted or substantively enacted but has not yet come into effect, businesses should disclose known or reasonably estimable qualitative and quantitative information about their exposure to Pillar Two income tax.

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

- (II) The impact of new releases and amendments under International Financial Reporting Standards approved by the Taiwan Financial Supervisory Commission yet to be adopted:

The table below summarizes the newly issued, amended, and revised standards and interpretations of the International Financial Reporting Standards approved by the Taiwan Financial Supervisory Commission for 2024:

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
"Lease liabilities in Sale and leaseback under the amendment of IFRS 16"	January 1, 2024 (Note 1)
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendment to IAS 1 "Non-current liabilities with contractual clauses"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024 (Note 2)

(Note 1) The seller and lessee should retrospectively apply the contents of this amendment in accordance with IAS 8 for sale and leaseback transactions concluded after the date of initial application of IFRS 16. This amendment provides certain transitional relief provisions. At the time of first application, the enterprise does not need to disclose comparative information and interim period information, as well as the initial information stipulated in section 44H(b)(ii)-(iii).

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

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

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

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

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

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

4. This amendment further clarifies that only the contractual terms that need to be complied with before the end of the reporting period would affect the classification of liabilities on that day. The terms of the contract that must be complied with within 12 months after the reporting period do not affect liabilities' classification. However, for liabilities classified as non-current liabilities at the end of the reporting period, if the enterprise may not be able to comply with the terms of the contract and needs to repay within 12 months after the reporting period, the related facts and circumstances shall be disclosed in the notes. Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"

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

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

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

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

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Related Entities or Joint Venture"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025

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

The main accounting policies adopted in the preparation of this CFS are as follows. Unless otherwise stated, these policies are consistently applied throughout all reporting periods.

(I) Compliance Statement

This CFS has been prepared in accordance with the financial report preparation standard for securities issuers and the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), interpretations, and directives recognized and promulgated by the Financial Supervisory Commission.

(II) Basis of preparation

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

(III) Consolidation Basis

1. Principles for CFS Preparation:
 - (1) The Group includes all subsidiaries in the preparation of the CFS. A subsidiary refers to an entity (including structured entities) under the control of the Group. The Group controls the entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control and cease to be consolidated from the date on which control is lost.

- (2) Intercompany transactions, balances, and unrealized profits (losses) have been eliminated within the group. The accounting policies of the subsidiaries have been appropriately adjusted to be consistent with the policies adopted by the group.

The components of profit or loss and other comprehensive income are attributable to owners of parent and non-controlling interests; the total comprehensive income, net of tax is also attributable to owners of parent and non-controlling interests even when that results in deficit balance of non-controlling interests.

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

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

Investments in companies/subsidiaries	Main business items	Shareholding or investment ratio	
		December 31, 2023	December 31, 2022
A. Southeast Cement Corporation			
Southeast Investment Co., Ltd	Investment transfer business	99.29%	99.29%
Southeast Paper Manufacturing Co., Ltd.	Real estate leasing business (Note)	49.71%	49.71%

Dong Nai Construction Co., Ltd.	Residential and Building Development Lease and Sale Industry	100.00%	100.00%
Southeast Topgood Resources Recycling Co., Ltd.	Waste Disposal Management	50.00%	50.00%
Southeast Milo International Co., Ltd.	Real Estate Leasing Industry	50.00%	50.00%
Da Yang Construction Co., Ltd	Construction industry	100.00%	100.00%

B. Southeast Investment Co., Ltd

Southeast Topgood Resources Recycling Co., Ltd.	Waste Disposal Management	1.00%	1.00%
Southeast Milo International Co., Ltd.	Real Estate Leasing Industry	1.00%	1.00%

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

- (1) Some subsidiaries included in the consolidated financial statements for 2023 and 2022 were audited by other accountants.
- (2) Changes in consolidated subsidiaries: None.
3. Subsidiaries not included in CFS: None.
4. Adjustments and handling methods due to different accounting periods of subsidiaries: None.
5. Significant Limitations: None.
6. Contents of securities issued by the parent company held by subsidiaries: Please refer to the description in Note VI(XXXI).
7. Information on subsidiaries with significant non-controlling interests:

December 31, 2023

Subsidiary Name	Shareholding Ratio	Non-controlling interests	Loss and profit distributed to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 76,817	\$ 9,555
Southeast Milo International Co., Ltd.	49%	9,419 15,392	(3,218) 194
Total		\$ 101,628	\$ 6,531

December 31, 2022

Subsidiary Name	Shareholding Ratio	Non-controlling interests	Loss and profit distributed to non-controlling interests
Southeast Topgood Resources Recycling Co., Ltd.	49%	\$ 67,262	\$ (4,424)
Southeast Milo International Co., Ltd.	49%	12,637	(36,363)
Others		15,063	(132)
Total		\$ 94,962	\$ (40,919)

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

(2) The summarized financial information is as follows:

A. Statement of Financial Position:

**Southeast Topgood Resources
Recycling Co., Ltd.**

Item(s)	December 31, 2023	December 31, 2022
Current assets	\$ 216,860	\$ 110,994
Non-current assets	746,335	516,677
Current liabilities	281,885	224,618
Non-current liabilities	524,540	265,784
Equity	\$ 156,770	\$ 137,269

**Southeast Milo International Co.,
Ltd.**

Item(s)	December 31, 2023	December 31, 2022
Current assets	\$ 54,118	\$ 75,411
Non-current assets	2,649,597	2,596,931
Current liabilities	51,475	111
Non-current liabilities	2,633,018	2,646,440
Equity	\$ 19,222	\$ 25,791

B. Statement of Comprehensive Income:

		Southeast Topgood Resources Recycling Co., Ltd.	
		2023	2022
Revenues		\$ 359,137	\$ 198,664
Profit (loss)		\$ 19,501	\$ (9,029)
Other comprehensive income (net of tax)		-	-
Total comprehensive income		\$ 19,501	\$ (9,029)
Net profit attributable to non-controlling interests		\$ 9,555	\$ (4,424)
Comprehensive income attributable to non-controlling interests		\$ 9,555	\$ (4,424)
Dividends paid to non-controlling interests		\$ -	\$ -

		Southeast Milo International Co., Ltd.	
		2023	2022
Revenues		\$ 87,879	\$ -
Profit (loss)		\$ (6,568)	\$ (74,209)
Total comprehensive income		\$ (6,568)	\$ (74,209)
Net profit attributable to non-controlling interests		\$ (3,218)	\$ (36,363)
Comprehensive income attributable to non-controlling interests		\$ (3,218)	\$ (36,363)
Dividends paid to non-controlling interests		\$ -	\$ -

C. Cash Flow Statement:

Southeast Topgood Resources Recycling Co., Ltd.			
	2023		2022
Net cash flows from (used in) operating activities	\$ (28,172)	\$	(17,784)
Net cash flows from (used in) investing activities	(263,996)		(91,997)
Net cash flows from (used in) financing activities	297,005		112,353
Net increase (decrease) in cash and cash equivalents	\$ 4,837	\$	2,572
Cash and cash equivalents at beginning of period	4,234		1,662
Cash and cash equivalents at end of period	\$ 9,071	\$	4,234

Southeast Milo International Co., Ltd.			
	2023		2022
Net cash flows from (used in) operating activities	\$ 18,738	\$	(52,305)
Net cash flows from (used in) investing activities	(1,742)		(24,000)
Net cash flows from (used in) financing activities	(8,065)		77,512
Net increase (decrease) in cash and cash equivalents	\$ 8,931	\$	1,207
Cash and cash equivalents at beginning of period	1,207		-
Cash and cash equivalents at end of period	\$ 10,138	\$	1,207

(IV) Foreign Currency Translation

1. Every item listed in the financial statements of each entity within this group is measured in the currency of the main economic environment in which that entity operates (i.e., the functional currency). The CFS are presented in the functional currency of the Company, the NTD "New Taiwan Dollar".
2. When preparing parent-company-only financial statements for each consolidated entity, transactions in currencies other than the functional currency of the entity (foreign currency) are recognized and translated at the exchange rate on the transaction date. At the end of the reporting period, foreign currency monetary items are retranslated at the spot rate of that day. The exchange differences are recognized as gains (losses) in the period they occur. The exchange difference arising from the translation of foreign currency non-monetary items measured at fair value is calculated at the exchange rate on the day the fair value is determined and included in the current year's profit or loss. For those recognized in Other comprehensive income due to changes in fair value, their resulting exchange differences are recognized in Other comprehensive income. Foreign currency non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated.
3. In the preparation of CFSs, assets and liabilities of foreign operations are translated into NTD New Taiwan dollars at the spot exchange rate at the end of the reporting period; Revenue and expense items are converted at the average exchange rate for the current period, and the resulting exchange differences are recognized as other comprehensive income, and accumulated in the "Exchange differences on translation of foreign financial statements" under the equity item (and are appropriately allocated to non-controlling interests).

(V) The standards for distinguishing current and non-current between 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 or intended to be sold or consumed within the normal operating cycle.
 - B. Primarily held for trading purposes.
 - C. Expected to be realized within twelve months after the date of the statement of financial position.

- D. Excluding cash or cash equivalents that are to be exchanged or used to settle liabilities or are subject to other restrictions more than twelve months after the balance sheet date.

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

- (2) Liabilities are classified as current liabilities if they meet either of the following conditions:

- A. Expected to be settled within the normal operating cycle.
- B. Primarily held for trading purposes.
- C. Those have to be settled within twelve months after the statement of financial position date. (Even if long-term refinancing or repayment arrangements have been completed after the balance sheet date and before the approval of the financial statements, it is still classified as Current liabilities)
- D. Those for which they cannot unconditionally extend the repayment period to at least twelve months after the balance sheet date. The terms of liabilities may lead to settlement by issuing equity instruments at the option of the counterparty, which does not affect their classification.

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

2. Construction Department:

Since the sales cycle for housing construction usually exceeds one year, the assets and liabilities related to the construction business are classified as current or non-current based on the business cycle.

For external contract construction projects, their operating cycles are usually longer than one year. Therefore, assets and liabilities related to the construction business are classified as current or non-current based on their operating cycles.

(VI) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including time deposits with original maturities of three months or less).

(VII) Financial Instruments

Financial assets and financial liabilities shall be recognized when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured at fair value upon initial recognition. At the time of initial recognition, the transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (except for Financial assets and Financial liabilities at fair value through profit or loss) should be added to or subtracted from the fair value of the financial asset or liability. Immediately recognize as gains or losses, those transaction costs directly attributable to financial assets and financial liabilities at fair value through profit or loss.

1. Financial assets

(1) Measurement type

Financial assets' customary transactions are accounted for on the trade date.

Financial assets at fair value through profit or loss, Financial assets at amortized cost, and Investments in equity instruments designated at fair value through other comprehensive income, are the types of financial assets held by the Group.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss, mandatorily measured at fair value and financial assets designated at fair value through profit or loss. Financial assets at fair value through profit or loss, mandatorily measured at fair value, include investments in equity instruments designated at fair value through other comprehensive income not designated by the Group, and investments that do not meet the classification for measurement at amortized cost or investments in debt instruments designated at fair value through other comprehensive income.

Financial assets originally measured at amortized cost or at fair value through other comprehensive income, are designated at fair value through profit or loss in order to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The company made an irrevocable election at the time of initial recognition to measure them at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value. The dividends generated are recognized in other incomes, while the gains or losses generated by interest and revaluation are recognized in other gains and losses. The determination of fair value is referred to in Note XII.

B. Investments in equity instruments designated at fair value through other comprehensive income

At the time of initial recognition, the Group may make an irrevocable choice to designate non-held-for-trading and non-business combination acquirer-recognized consideration equity instrument investments as measured at fair value through other comprehensive income.

Investments in equity instruments designated at fair value through other comprehensive income are measured at fair value, with subsequent changes

in fair value recognized in other comprehensive income and accumulated in other equity interest. Upon disposal of investments, the accumulated gains or losses under other equity interest are directly transferred to Retained earnings, and will not be reclassified as profit or loss.

Unless the dividend clearly represents a recovery of part of the cost of the investment, dividends from investments in equity instruments designated at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is established.

C. Financial assets at amortized cost

If both of the following conditions are met, the Group classifies financial assets as Financial assets at amortized cost:

- (A) Held under a business model with the objective of holding financial assets in order to receive contractual cash flows; and
- (B) Contractual terms generating cash flows on a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, after original recognition, are measured at the ledger amount determined by the effective interest method, less any impairment losses. Any foreign exchange gains (losses) are recognized in profit or loss.

Except for the following two situations, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

- (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 assets.
- (B) Interest income is calculated using the effective interest rate on the amortized cost of the financial assets for financial assets that were not credit-impaired upon initial recognition or purchase but have subsequently become credit-impaired.

(2) Impairment of Financial Assets

- A. The Group evaluates the impairment losses on financial assets at amortized cost (including accounts receivable), investments in debt instruments designated at fair value through other comprehensive income, lease payments receivable, and contract assets every balance sheet date based on expected credit loss.

- B. Both accounts receivable and lease payments receivable are recognized for allowance for uncollectible accounts based on the expected credit loss over the lifetime. Other financial assets are initially assessed for a significant increase in credit risk after initial recognition. If there is no significant increase, the loss allowance is measured at the expected credit losses for 12 months. If there has been a significant increase, the loss allowance is measured at the expected credit losses over the term.
- C. Expected credit losses are calculated as the weighted average credit losses, with the risk of default used as the weight. While the lifetime expected credit losses represent the expected credit losses from all possible defaults during the expected life of a financial instrument, the 12-month expected credit losses represent the expected credit losses from possible defaults on a financial instrument within 12 months after the reporting date.
- D. A loss allowance from investments in debt instruments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce their carrying amount, even though Impairment losses on all financial assets are recognized through a provision account to reduce their carrying amount.

(3) Financial Assets' Derecognition

The Group recognizes a financial asset when any of the following conditions is met:

- A. Expiration of the right to cash flows from a financial asset contract.
- B. The contractual right to receive the cash flows of the financial asset has been transferred and almost all risks and rewards of ownership of the financial asset have been transferred.
- C. Neither transferred nor retained substantially all risks and rewards of ownership of the financial assets, yet did not retain control over the financial assets.

When financial assets at amortized cost are derecognized in their entirety, the difference between their carrying amount and the consideration received is recognized in profit or loss. The difference between their carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive income is recognized in profit or loss, when investments in debt instruments designated at fair value through other comprehensive income are derecognized in their entirety. The cumulative gains or losses are directly transferred to retained earnings, and are not reclassified to profit or loss, when investments in equity instruments

designated at fair value through other comprehensive income are completely derecognized.

2. Equity instruments

According to the substance of the contract agreement and the definition of financial liabilities and equity instruments, the debt and equity instruments issued by the Group are classified as financial liabilities or equity. Equity instruments refer to any contract that recognizes the residual equity in an enterprise after deducting all its liabilities from its assets. The equity instruments issued by the Group are recognized at the amount of the consideration received less direct issuance costs.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities that are not held for trading purposes and have not been designated at fair value through profit or loss are measured at amortized cost at the end of subsequent accounting periods.

(2) Derecognition of financial liabilities

The Group only recognizes financial liabilities when the obligations are discharged, canceled, or expired. The difference between the carrying amount of the financial liability that has been derecognized and the consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized as a gain or loss.

4. Modification of financial instruments

When cash flows of a financial instrument contract are renegotiated or modified, if this does not result in the derecognition of the financial instrument, the Group recalculates the carrying amount of the financial asset or the amortized cost of the financial liability based on the cash flows of the revised contract at the original effective interest rate, and recognizes the gains or losses from the modification in profit or loss; Any costs or expenses incurred are adjusted to the carrying amount of the modified financial instrument and are amortized over the remaining period after modification. If the renegotiation or modification leads to the derecognition of the financial instrument, it shall be handled according to the derecognition provisions.

(VIII) Current inventories

1. Manufacturing Department:

Current inventories are measured on the basis of the lower of cost and net realizable value, adopting the perpetual inventory system, with cost determined by the weighted average method. The cost of current finished goods and current work in progress includes current raw materials, direct labor, other direct costs and manufacturing expenses related to production (allocated based on normal production capacity), but does not include borrowing costs. When comparing the cost and net realizable value, the item-by-item comparison method is used. The net realizable value refers to the balance after the estimated sales price in the normal operations is reduced by the estimated cost to be invested until completion and the estimated cost required for the sale.

2. Construction Division:

Current inventories are measured at the lower cost and net realizable value. Costs include the necessary expenses incurred to make it available for use and the capitalization of borrowing costs.

Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The determination method of net realizable value is as follows:

- (1) Land held for construction site: The net realizable value is calculated based on the management authority's reference to the market price at that time, deducting the costs and selling expenses that need to be invested until completion, or based on the most recent market price (open analysis method or comparative method).
- (2) Construction in progress: The net present value is based on estimated selling price (market conditions at that time) minus the cost and sales expenses still required to complete.
- (3) Buildings and land held for sale: The net realizable value is the estimated selling price (referenced to the estimate by the management according to the market conditions at that time) minus the estimated costs and selling expenses generated when selling the property.

(IX) Investments accounted for using equity method – Related Entities

1. Related Entities refer to all entities over which the Group has significant influence but not control, generally directly or indirectly holding more than 20% of its voting rights. The Group uses the equity method to handle investments in associates, which are recognized at cost at the time of acquisition.
2. The Group recognizes its share of profit or loss of Related Entities after acquisition as current profit or loss, and its share of other comprehensive income is recognized as other comprehensive income. If the Group's share of losses of a Related Entity equals or exceeds its interest in the Related Entity (including any long-term interests that, in substance, form part of the Group's net investment in the associate, and the carrying amount of its investment determined using the equity method), the Group does not recognize further losses, unless the Group has incurred legal or constructed obligations or made payments on behalf of the Related Entity.
3. The unrealized gains or losses generated from the transactions between the Group and its Related Entities have been eliminated in proportion to the Group's equity interest in its Related Entities. Unless there is evidence that the assets transferred in these transactions have been impaired, unrealized losses will also be eliminated. The accounting policies of the Related Entities have been adjusted as necessary to ensure consistency with the policies adopted by the Group.

4. When the Group disposes of its Related Entities, if it loses significant influence over the Related Entity, all amounts previously recognized in Other comprehensive income related to the Related Entities are treated in the same way as if the Related Entities had directly disposed of the related assets or liabilities. That is, if a profit or loss previously recognized in Other comprehensive income will be reclassified to profit or loss when the related assets or liabilities are disposed of, then when the significant influence over the Related Entities is lost, that profit or loss will be reclassified from equity to profit or loss. If it still has significant influence over the Related Entities, the amount previously recognized in other comprehensive income is only proportionately transferred out in the above manner.

(X) Property, plants and equipment

1. Property, plants and equipment are recorded at acquisition cost, and related interest during the construction period is capitalized. Property, plants and equipment under construction are measured at lower cost and net realizable value before they reach their intended use status. The sales proceeds and costs generated during the test for the normal operation of these assets are recognized in profit or loss.
2. Subsequent costs are included in the carrying amount of the assets or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the part that has been reset should be derecognized. All other maintenance expenses are recognized as current period profit and loss when incurred.
3. Depreciation is not provided for Land. Other property, plants and equipment are measured at cost, with depreciations provided on a straight-line basis over their estimated useful lives. The company reviews the residual value, useful life, and depreciation method of each asset at the end of each fiscal year. If the expected value of the residual value and the useful life is different from the previous estimate, or the expected consumption pattern of future economic benefits contained in the assets has undergone significant changes, it will be handled in accordance with the changes in accounting estimates stipulated in International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The useful life of various assets is as follows:

Buildings

Main factory building	5 years ~ 50 years
Electromechanical equipment	5 years ~ 10 years
Other facilities	15 years
Machinery and equipment,	2 years ~ 16 years
Transportation equipment	3 years ~ 6 years
Miscellaneous equipment	2 years ~ 10 years

4. Property, plants and equipment are derecognized when disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss generated by the disposal of property, plants and equipment is the difference between the net disposal proceeds and the book value of the asset, and is recognized in current profits and losses.

(XI) Leases

The Group evaluates whether a contract is (or contains) a lease on the inception date of the contract. For contracts that comprise 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 on the basis of the relative standalone price of each lease component and the aggregate standalone price of non-lease components.

1. This Group is a lessee.

Except for leases of low-value asset targets and short-term leases, which are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for other leases at the commencement date of the lease.

Right-of-use assets

The original cost of Right-of-use assets (including the initial measurement amount of Lease liabilities, lease payments made before the lease commencement date less received lease incentives, initial direct costs and estimated costs to restore the underlying assets) is measured at cost and subsequently measured at the cost less accumulated depreciation(s) and accumulated Impairment losses, and adjustments are made for the re-measurement amount of Lease liabilities.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease until the earlier of the end of the useful life of the asset or the lease term. However, if the ownership of the underlying asset will be transferred at the end of the lease term, or if the cost of the right-of-use assets reflects the exercise of a purchase option, depreciation is provided from the commencement date of the lease until the end of the useful life of the underlying assets.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments, which include fixed payments, substantially fixed payments, lease payments that vary based on an index or rate, and the like. If the implicit interest rate of the lease is easy to determine, the lease payments are discounted using that rate. If the interest rate is not easily determinable, then the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and the interest expense is allocated over the lease term. If changes in the lease term, assessment of the purchase option for the underlying assets, expected amounts to be paid under residual value guarantees, or indexes or rates used to determine lease payments result in changes to future lease payments, our Group reassesses the lease liabilities and adjusts the right-of-use assets correspondingly. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining reassessment amount is recognized in profit or loss. Lease liabilities are presented as a single line item in the consolidated statement of financial position.

2. This Group is the lessor.

The Group, when subleasing right-of-use assets, determines the classification of the sublease based on the right-of-use assets (instead of the underlying assets). However,

if the head 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 substantially all the risks and rewards incidental to ownership of an asset, it is classified as a finance lease; otherwise, it is classified as an operating lease.

In finance leases, lease payments include fixed payments, substantially fixed payments, variable lease payments that depend on an index or rate, guaranteed residual value, the exercise price of a purchase option that is reasonably certain to be exercised, and the penalty for terminating the lease that has been reflected in the lease term, less any lease incentives to be paid. The net amount of lease investments is the sum of the present values of lease payments and unguaranteed residual values, and is represented as finance lease receivable. The Group systematically and reasonably allocates finance income over the lease period to reflect the fixed return rate that can be obtained in each period from the net amount of the Group's unexpired lease investments. Under operating leases, lease payments, less any lease incentives, are recognized on a straight-line basis as lease revenues. The original direct costs incurred due to the acquisition of an operating lease are added to the book value of the target assets, and are recognized as expenses over the lease period on the same basis as the recognition of lease income.

(XII) Investment property

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

Investment property is initially measured at cost (including transaction costs), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The Group adopts a straight-line basis for recording depreciation(s).

Investment property under construction is recognized at its cost less accumulated impairment losses, which includes professional service fees and borrowing costs that meet capitalization conditions. Depreciation of these assets begins when they reach their expected condition for use.

The gain or loss arising from the derecognition of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the current profit or loss.

(XIII) Intangible assets

Intangible assets with finite useful lives acquired separately are presented at cost less Accumulated Amortization(s) and Accumulated Impairment. The Amortization amount is calculated according to the following useful life by the straight-line method: Computer

software design fees are based on 3 years; Patents are based on economic benefits or contract terms. The estimated useful life and Amortization(s) method are reviewed at the end of the reporting period, and the effects of any changes in estimates are applied retrospectively.

Intangible assets are derecognized when they are disposed of or when no future economic benefits are expected from their use or disposal. The gain or loss on the disposal of intangible assets is the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in current income and expenses.

(XIV) Impairment loss on non-financial assets

The Group estimates the recoverable amount of assets with signs of impairment on the statement of financial position date. Impairment losses are recognized when the recoverable amount is lower than its book value. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the circumstances leading to the impairment loss on assets recognized in previous years no longer exist, the loss amount set aside in previous years can be reversed within the scope of that amount.

(XV) Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The measurement of Provisions is based on the present value of the best estimate of the Expenses required to settle the obligation as of the date of the statement of financial position. The discount rate used reflects the current market assessment of the time value of money and the risks specific to the Liabilities before tax. The Amortization of the discount is recognized as Interest expense. Provisions cannot be recognized for future operational losses.

(XVI) Employee benefits/welfare

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of cash expected to be paid, and expenses are recognized when the related services are provided.

2. Pension expense

Defined contribution plan

For a defined contribution plan, the amount of pension funds to be contributed is recognized as the current pension expense based on the accrual basis. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

3. Compensation for employees and directors and supervisors

Employee compensation due to directors and supervisors are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reasonably estimated. When there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it will be handled in accordance with accounting estimate changes.

4. Termination benefits

Termination benefits are provided when the employment of an employee is terminated before the normal retirement date, or when an employee accepts benefits from the company in exchange for the termination of employment. The Group recognizes expenses at the earlier of when the offer of termination benefits can no longer be withdrawn or when the costs related to restructuring are recognized. Benefits expected to be entirely settled beyond 12 months after the end of the reporting period shall be discounted.

(XVII) Share Capital and Treasury Shares

1. Share Capital

Ordinary shares are classified as Equity. The classification of preference shares is based on the substance of the contract agreement and the definition of financial liabilities and equity instruments. The specific rights attached to the preference shares are evaluated. If they exhibit the basic characteristics of financial liabilities, they are classified as liabilities, otherwise, they are classified as equity. Direct costs attributable to the issuance of new shares or stock options are listed as deductions from Equity.

2. Treasury Shares

The Group recognizes the repurchased issued shares as "Treasury shares" based on the consideration paid at the time of repurchase (including directly attributable costs), serving as a reduction item of Equity. When disposing treasury shares, if the disposal price is higher than the book value, the difference is recorded as Capital surplus, treasury share transactions; if the disposal price is lower than the book value, the difference is offset against the capital surplus generated by transactions of the same type of treasury shares. If there is a deficit, it will be debited from Retained earnings. The carrying value of treasury shares is calculated based on a weighted average and is broken down by the reason for their recovery.

When treasury shares are canceled, the share capital and capital surplus-additional paid-in capital are debited in proportion to the equity. If the book value is higher than the sum of the par value and the additional paid-in capital, the difference will offset the capital surplus generated by the same type of treasury share transactions. If there is a deficiency, it will be offset against the retained earnings. If the book value is lower than the sum of

the par value and additional paid-in capital, then the capital surplus generated by the same type of treasury share transactions will be credited.

(XVIII) Income tax

1. The tax expense includes current and deferred income tax. Except for income tax related to items that are recognized in other comprehensive income or directly in equity, income tax is recognized in profit or loss.
2. Current income tax is calculated based on the taxable income generated by the group, using the tax rate legislated or substantively legislated on the date of the balance sheet. The management periodically assesses the status of income tax filings in accordance with applicable income tax laws, and where applicable, provision is made for income tax liabilities based on the expected taxes payable to tax authorities. In accordance with the Taiwan Income Tax Law, the income tax on unappropriated retained earnings is levied. It is not until the year after the year in which the profits are generated, and after the profit distribution proposal is approved at the shareholders' meeting, that the income tax expenses are recognized based on the actual profit distribution situation.
3. Deferred income tax is recognized using the statement of financial position method, based on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities, arising from goodwill initially recognized, are not recognized. If the deferred tax is originated from the initial recognition of assets or liabilities from a transaction (excluding business combinations), it didn't affect accounting profit or taxable income (tax losses) at the time of transaction, and equal taxable and deductible temporary differences were not generated at that time, then it is not recognized. If the temporary differences arise from investments in subsidiaries, and the group can control the timing of the reversal of these temporary differences, and it is probable that these temporary differences will not reverse in the foreseeable future, then they are not recognized. Deferred income tax is recognized using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.
4. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized, and are reassessed at the end of each reporting period for unrecognized and recognized deferred tax assets.
5. When there is a legally enforceable right to offset the current income tax assets and liabilities recognized and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously, only then the current income tax assets and current income tax liabilities are offset. 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 levied by the same tax authority on the same taxpayer, or generated by different taxpayers but each subject intends to settle on a net basis or realize assets and settle liabilities simultaneously, only then are deferred tax assets and liabilities offset.

6. Tax benefits generated by expenditures for equipment or technology acquisitions, research and development expenses, talent training expenses, and equity investments are accounted for by deducting income tax.

(XIX) Recognition of Revenues

The principles of revenue recognition from customer contracts of the Group are recognized in the following steps:

1. Identify customer contracts;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenues when performance obligations are fulfilled.

Contracts with a time interval of less than 1 year between the transfer of goods or services and the receipt of consideration do not adjust the transaction price for their significant financial components.

(1) Merchandise Sales

Sales of goods come from the sale of products such as cement, limestone, and cement processed products. Sales are recognized when control of the product is transferred to the customer, as the customer has the right to use and resell at a predetermined price, and bears the main responsibility for the risk of the product being obsolete and outdated. The company recognizes revenues and accounts receivable at this point, and the net amount is expressed after deducting sales returns, quantity discounts, and allowances.

During material removal processing, the control of ownership of the processed products is not transferred, so revenues are not recognized at the time of material removal.

(2) Revenue from sale of land and buildings

The revenue from the sale of real estate within the normal operating range is recognized when each piece of real estate is completed and delivered to the buyer.

(3) Engineering services revenue

For construction contracts of properties under construction that are controlled by customers, the Group recognizes revenues over time. As the cost incurred in construction is directly related to the degree of fulfilment of contractual obligations, our group measures the progress of completion based on the ratio of actual cost invested to the estimated total cost. The Group recognizes contract assets progressively during the construction process, and reclassifies them as accounts receivable when the bills are issued. If the engineering payments received exceed the amount of recognized income, the difference is recognized as contract liabilities. The construction retainage, which is deducted by customers according to contractual terms, aims to ensure that our group fulfills all contractual obligations, and is recognized as contract assets before our group's performance is complete.

If the outcome of the performance obligation cannot be reliably measured, the engineering service revenue is recognized only to the extent that the incurred costs are expected to be recoverable.

(XX) Loan Cost

The borrowing costs that can be directly attributed to the acquisition, construction or production of a qualifying asset are included as part of the cost of that asset, until such time as substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Investment revenues earned from temporary investments of specific borrowings before the occurrence of eligible capital expenses are deducted from the borrowing costs that meet the capitalization criteria. Apart from the above, all other borrowing costs are recognized as losses in the current period.

V. Main Sources of Significant Accounting Judgment, Estimation and Assumption Uncertainties

The significant judgment, key accounting estimation and assumptions adopted by the Group in preparing the consolidated financial statements are as follows:

(I) Significant judgments in applying accounting policies

1. Judgment by business model classification for financial assets

The Group assesses the business model to which the financial assets belong based on the levels that reflect the co-management of the group of financial assets for achieving specific business objectives. This assessment must take into account all relevant evidence, including the methods of measuring asset performance, the risks affecting performance, and the methods of determining the compensation of relevant

managers, and judgment must be used. The Group continuously evaluates whether its business model is appropriate, and monitors the financial assets measured at amortized cost and investments in debt instruments designated at fair value through other comprehensive income that are derecognized before their maturity dates, to understand the reasons for their disposal and assess whether it is consistent with the objectives of the business model. If changes in the business model are identified, the Group reclassifies financial assets in accordance with the provisions of IFRS 9 and applies the reclassification from the reclassification date.

2. Recognition of Revenues

The Group determines, in accordance with IFRS 15, whether it has obtained or will obtain control of the specified goods or services before transferring them to the customer and acts as the principal or agent in the transaction. If it is determined to be the agent in the transaction, the Group recognizes revenue as the net amount of the transaction.

The Group acts as the principal if one of the following conditions is met:

- (1) Before the goods or other assets are transferred to the customer, the group first obtains control of the goods or assets from another party; or
- (2) The Group controls the right to the labor provided by another party, in order to have the ability to dominate the provision of services to customers on behalf of the Group; or
- (3) The Group obtains control of goods or services from another party to combine with other goods or services to provide specific goods or services to customers. The indicators used to help determine whether our company controls a specific good or service before transferring it to a customer include (but are not limited to):
 - A. The Group assumes primary responsibility for fulfilling the promise to provide specific goods or services.
 - B. The Group assumes the risk of current inventories before and after transferring certain goods or services to customers.
 - C. The Group has the discretion to set prices.

3. Lease period

When determining the lease term, the Group considers all relevant facts and circumstances that create economic incentives to exercise (or not exercise) options, including the expected changes in all facts and circumstances from the commencement date to the option exercise date. The factors considered include the terms and conditions of the contract covered by the option, the significant leasehold

improvements carried out (or expected to be carried out) during the contract period, and the importance of the target assets to the operation of the Group. When a significant event occurs within the control of the Group, or there is a significant change in circumstances, the lease period is reassessed.

4. Judgment on whether there is substantial control over the Related Entity

The Group holds a 40% stake in Penghu Cable TV Co., Ltd. and is the single largest shareholder. After considering the distribution and the amount of voting rights held by other shareholders, the holdings of Others are not highly dispersed. Therefore, the Group cannot dominate the related activities of Penghu Cable TV Co., Ltd. and does not have control. The management of the Group believes that it only has a significant influence on Penghu Cable TV Co., Ltd., therefore it is listed as a Related Entity of the Group.

(II) Significant Accounting Estimates and Assumptions

1. Financial assets' Estimated Impairment

The estimation of impairment on Accounts receivable is based on the Group's assumptions of default rates and expected loss rates. The Group considers historical experience, current market conditions, and forward-looking information to make assumptions and select input values for impairment assessment. If the actual cash flows in the future are less than expected, significant impairment losses may occur.

2. Fair Value Measurement and Evaluation Process

3. When assets and liabilities measured at fair value lack market quotations in active markets, the Group determines whether to outsource valuation in accordance with relevant regulations, or based on judgment, and determines appropriate fair value measurement techniques. If the Group cannot obtain Level 1 inputs when estimating fair value, it refers to the analysis of the financial condition and operating results of the investee, the recent transaction price, the quote of the same equity instrument in inactive markets, the quote of similar instruments in active markets, and the valuation multiples of comparable companies to determine the input values. If the actual changes in the inputs in the future are different from the expectations, it may cause changes in the fair value. The Group regularly updates various inputs according to market conditions to monitor whether the measurement of fair value is appropriate. Tangible and intangible assets Impairment Assessment

In the process of assessing asset impairment, the Group needs to rely on subjective judgment and determine the independent cash flows, asset durability, and possible future revenues and expenses of specific asset groups based on the asset usage model and industry characteristics. Any changes in estimates brought about by changes in

economic conditions or corporate strategies may cause significant impairments in the future.

4. Evaluating impairment for investments accounted for using equity method

When there are indications that an investment accounted for using equity method might have been impaired making its carrying amount unrecoverable, the Group promptly evaluates the impairment of such investment. The Group assesses the recoverable amount based on the discounted value of anticipated future cash flows from the investee company or the discounted value of expected future cash flows from cash dividends receivable and disposal of investments and analyses the reasonableness of related assumptions.

5. Deferred tax assets' Impairment Assessment

Deferred tax assets are recognized only when it is likely that sufficient taxable income will be available in the future to utilize temporary differences. When assessing the realizability of deferred tax assets, it involves significant accounting judgments and estimates of management, including assumptions of anticipated future sales growth and profit margins, tax-free periods, available income tax offsets, and tax planning. Any changes in the global economic environment, industry environment, and laws may cause significant adjustments to Deferred tax assets.

6. Valuation of Current inventories

Due to the requirement that current inventories must be valued at the lower of cost and net realizable value, the Group must use judgment and estimates to determine the net realizable value of current inventories on the date of the statement of financial position. The Group assesses the amount of current inventories in the statement of financial position due to normal wear and tear, obsolescence or lack of market sales value on the balance sheet date, and charges off the cost of inventory to its net realizable value.

7. Lessee's Incremental borrowing rate

When determining the lessee's incremental borrowing rate used for discounting lease payments, the reference rate is the risk-free rate for the same currency and related period. The estimated lessee's credit risk premium and lease-specific adjustments (including asset-specific and secured factors) are also taken into account.

VI. Descriptions of Material Accounting Items

(I) Cash and cash equivalents

Item(s)	December 31, 2023	December 31, 2022
Cash	\$ 534	\$ 504
Checking account deposits	3,351	4,870
Demand deposits	172,239	153,853
Cash equivalents		
Short-term notes and bills due within three months of the original maturity date	111,763	137,147
Total	<u>\$ 287,887</u>	<u>\$ 296,374</u>

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

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

Item(s)	December 31, 2023	December 31, 2022
Non-derivative financial assets		
Listed shares	\$ 156,532	\$ 144,337
Open-ended Fund	66,830	396,540
Bonds	17,996	16,638
Total	<u>\$ 241,358</u>	<u>\$ 557,515</u>

1. The net gains (losses) recognized by the Group in 2023 and 2022 were NTD 15,573 thousand and NTD (40,117) thousand respectively.
2. The Group has not provided any pledges for financial assets at fair value through profit or loss.
3. For more details on the related credit risk management and evaluation methods, please refer to Note XII.

(III) Notes receivable, net

Item(s)	December 31, 2023	December 31, 2022
Measured at amortized cost		
Total book value	\$ 239,231	\$ 249,354

Less: Loss allowance	(187)	(2,571)
Notes receivable, net	<u>\$ 239,044</u>	<u>\$ 246,783</u>

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

(IV) Accounts receivable, net

Item(s)	December 31, 2023	December 31, 2022
Measured at amortized cost		
Total book value	\$ 323,435	\$ 94,453
Less: Loss allowance	(331)	(592)
Accounts receivable, net	<u>\$ 323,104</u>	<u>\$ 93,861</u>

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

December 31, 2023	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 605,451	\$ (251)	\$ 605,200
Overdue 0~90 days	0%-5%	-	-	-
Overdue 91-180 days	0%-25%	-	-	-
Overdue 181-365 days	0%-50%	-	-	-
Overdue for more than 365 days	0%-100%	-	-	-

The counterpart has shown signs of reduction.

	100%	300	(300)	-
Total		\$ 605,751	\$ (551)	\$ 605,200

December 31, 2022	Expected credit loss rate	Total book value	Loss allowance (lifetime expected credit loss)	Amortized cost
Not overdue	0%-2%	\$ 411,672	\$ (3,516)	\$ 408,156
Overdue 0~90 days	0%-5%	-	-	-
Overdue 91-180 days	0%-25%	-	-	-
Overdue 181-365 days	0%-50%	-	-	-
Overdue for more than 365 days	0%-100%	63	(63)	-
Total		\$ 411,735	\$ (3,579)	\$ 408,156

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

Item(s)	2023	2022
Beginning balance	\$ 3,579	\$ 18,740
Add: Recognition of impairment losses	-	-
Less: Reversal of impairment losses	(2,965)	(339)
Less: Write-off due to unrecoverable	(63)	(14,822)
Ending balance	\$ 551	\$ 3,579

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

If there is evidence that the counterparty is experiencing severe financial difficulties and the Group cannot reasonably expect to recover the amount due, the Group directly writes off the related accounts receivable directly, although collection efforts will continue, with any amounts collected recognized in the profit and loss. The Group wrote off accounts receivable of the contract amount for the years 2023 and 2022 were NTD 63 thousand and NTD 14,822 thousand respectively.

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

(V) Other receivables

Item(s)	December 31, 2023	December 31, 2022
Lease payments receivable	\$ -	\$ 1,415
Reimbursement receivable for the prepaid design fees revenue	-	30,412
Interests receivable	225	1,122
Other receivable	764	320
Subtotal	\$ 989	\$ 33,269
Less: Loss allowance	-	-
Net	\$ 989	\$ 33,269

1. The Group jointly owns land and buildings in the Wan Nei section with Bi Jiang Enterprises Co., Ltd. Both parties agreed to apply for a construction permit, but it required obtaining a consent letter from the landowner and conducting pre-application operations for the "Extension of the 2022 Engineering Unit Price Calculation Method." An advance payment of NTD 30,412 thousand was made to proceed with the application. The subsequent design fee will be reimbursed upon receipt of the rejection notice and completion of the refund process, which was received in January 2023.

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

	December 31, 2023	December 31, 2022
Undiscounted lease payments		
Year 1	\$ -	\$ 1,428
Year 2	-	-
Total	\$ -	\$ 1,428
Less: Unearned finance income	-	(13)
Less: Loss allowance	-	-
Lease payments receivable	\$ -	\$ 1,415
Unguaranteed residual value	\$ -	\$ -
Less: Unearned finance income	-	-

Present value of unguaranteed residual value	\$	-	\$	-
The net amount of lease investments listed as finance lease receivable.	\$	-	\$	1,415
Lease payments receivable (listed as other receivables)	\$	-	\$	1,415
Long-term lease payments receivable (recorded under Other non-current assets)	\$	-	\$	-

The Group signed a financing lease agreement in December 2018 to sublet the 8th floor of the Southeast Building, which was under lease, to the Bureau of Employment Training of the Ministry of Labor. The average lease term is 5 years, and a fixed lease payment of NTD 714 thousand is collected every six months. Since the sublease period corresponds to all the remaining periods of the main lease, the Group classifies this lease as a finance lease.

(VI) Inventories and Cost of sales

Item(s)	December 31, 2023	December 31, 2022
Manufacturing Department:		
Primary fuel	\$ 9,180	\$ 20,887
Supplies	45	55,664
Work in process	-	4,057
Finished goods	26,285	98,694
Net - Manufacturing department	\$ 35,510	\$ 179,302
Construction Division:		
Land construction	\$ 423,446	\$ 423,446
Construction in progress	729,811	413,404
Net - Construction Department	\$ 1,153,257	\$ 836,850
Total	\$ 1,188,767	\$ 1,016,152

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

Item(s)	2023	2022
Disposal of inventory cost	\$ 1,992,093	\$ 1,577,644
Other Cost of revenue	35,551	60,086
Unamortized manufacturing expenditures	36,934	25,963
Loss for market price decline and	5,061	(6,304)

obsolete and slow-moving inventories
recognition (gain on reversal)

Manufacturing Department	\$ 2,069,639	\$ 1,657,389
Construction cost	-	15,347
Total operating costs	<u>\$ 2,069,639</u>	<u>\$ 1,672,736</u>

2. The Group wrote down inventory to net realizable value in 2023 and 2022, or recognized reversals of impairment losses due to price fluctuations, resulting in provision for inventory obsolescence and slow-moving items (reversal of impairment) of NTD 5,061 thousand and (NTD 6,304) thousand, respectively.
3. The Group has not pledged any current inventories.
4. The increase in current inventories for the period and the adjustment for purchasing inventories in the cash flow statement are as follows:

Item(s)	2023	2022
Increase (Decrease) in Inventories	\$ (172,615)	\$ (175,078)
Transferred to property, plant, and equipment	(9,505)	(1,074)
Cash received (paid) for decrease (increase) in inventories	\$ (182,120)	\$ (176,152)

(VII) Prepayments

Item(s)	December 31, 2023	December 31, 2022
Prepayments for material purchases	\$ 11,611	\$ 11,855
Prepayments for insurance premiums	601	526
Offset Against Business Tax Payable	50,813	25,739
Other prepaid	2,898	2,801
Total	\$ 65,923	\$ 40,921

(VIII) Non-current assets held for sale

Considering operational considerations, the Group signed a contract with North-Star International Co., Ltd. in June 2023 to sell land, buildings, and equipment at no. 1081 Zhonglinzi Section, Xiaogang District, Kaohsiung City, for a contract price of NTD 1,084,296 thousand (including tax), and reclassified the related assets as non-current assets held for sale. The land, buildings, and equipment subject to the transaction completed ownership transfer in August 2023, generating a gain on disposal of non-current assets held for sale of NTD 167,435 thousand. As of December 31, 2023, the full sale price has been fully collected.

(IX) Other financial assets - Current

Item(s)	December 31, 2023	December 31, 2022
Time deposits with an original maturity of more than 3 months:		
Time deposits in NTD	\$ 30,107	\$ 1,107
Time deposits in Foreign Currency	63,522	163,433
Total	\$ 93,629	\$ 164,540
Interest Rate Range	0.78%-5.35%	0.78%-4.60%

(X) Acquisition of Incremental Costs of Contract - Current

The Group expects to recover commissions paid to sales agents or bonuses for internally selling properties under land sale contracts, hence recognized as assets. Sales expenses are amortized when recognizing revenue from land sales, with zero thousand expenses recognized in years 2023 and 2022.

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

Item(s)	December 31, 2023	December 31, 2022
Non-current		
Equity instruments		
Domestic listed companies' stocks	\$ 281,446	\$ 282,470
Domestic unlisted company stocks	353,321	357,773
Subtotal	\$ 634,767	\$ 640,243
Valuation adjustment	787,029	593,586
Total	\$ 1,421,796	\$ 1,233,829

1. The Group invests in the stocks of domestic unlisted companies based on its medium to long-term strategic objectives, expecting to profit from long-term investments. The management of the Group believes that recognizing short-term fair value fluctuations of such investments in profit or loss is inconsistent with the long-term investment plan. Therefore, these investments are designated as financial assets measured at fair value through other comprehensive income.
2. In 2023 and 2022, the Group adjusted its investment positions to diversify risks and sold some stocks at fair value. The unrealized gains/(losses) of other equity investments measured at fair value through other comprehensive income were NTD (197) thousand and NTD 475 thousand, respectively, transferred to retained earnings.
3. For related credit risk management and assessment methods, please refer to the explanation in Note XII.
4. The Group has not pledged any financial assets at fair value through other comprehensive income.

(XII) Investments accounted for using equity method

Investee	December 31, 2023	December 31, 2022
Significant associates:		
Taiwan Machinery Shipyard Co., Ltd.	\$ 330,462	\$ 325,220
Penghu Cable Television Co., Ltd.	122,850	135,684
Subtotal	\$ 453,312	\$ 460,904
Individual associates that are not significant	\$ 134,273	\$ 131,571
Total	\$ 587,585	\$ 592,475

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

Company Name	Shareholding Ratio	
	December 31, 2023	December 31, 2022
Taiwan Machinery Shipyard	31.56%	31.56%

Co., Ltd.

Penghu Cable Television Co.,
Ltd.

40.00%

40.00%

2. For the nature of business, principal place of business, and country of incorporation of the associates, please refer to Table 8 of Note XIII.

A. The basic information of significant associates of the Group is as follows:
Balance Sheets

	Taiwan Machinery Shipyard Co., Ltd.	
	December 31, 2023	December 31, 2022
	\$	\$
Current assets	433,215	432,881
Non-current assets	1,180,388	1,160,957
Current liabilities	(401,879)	(435,481)
Non-current liabilities	(126,000)	(94,085)
	\$	\$
Equity	1,085,724	1,064,272
	\$	\$
Share of the associate's net assets	342,692	335,921
Unrealized gain (loss) on transactions with associates	(12,230)	(10,701)
	\$	\$
Book value of associates	330,462	325,220
	Penghu Cable Television Co., Ltd.	
	December 31, 2023	December 31, 2022
	\$	\$
Current assets	337,148	365,772
Non-current assets	122,977	114,831
Current liabilities	(120,666)	(107,878)
Non-current liabilities	(32,333)	(33,515)
	\$	\$
Equity	307,126	339,210

	\$	\$
Share of the associate's net assets	122,850	135,684
	\$	\$
Book value of associates	122,850	135,684

B. Consolidated Statement of Comprehensive Income

	Taiwan Machinery Shipyard Co., Ltd.	
Company Name	2023	2022
	\$	\$
Operating revenue	500	-
	\$	\$
Profit (loss)	(3,980)	(8,005)
Other comprehensive income (net of tax)	20,504	(1,905)
	\$	\$
Total comprehensive income	16,524	(9,910)
	\$	\$
Dividends received from the associates	-	2,607

Company Name	Penghu Cable Television Co., Ltd.	
	2023	2022
Operating revenue	\$ 110,520	\$ 115,502
Profit (loss)	\$ 28,655	\$ 25,558
Other comprehensive income (net of tax)	(739)	(4,997)
Total comprehensive income	\$ 27,916	\$ 20,561
Dividends received from the associates	\$ 24,000	\$ 24,000

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

	2023	2022
Share entitled:		
Profit (loss)	\$ 2,619	\$ 1,517
Other comprehensive income (net of tax)	82	(372)
Total comprehensive income	\$ 2,701	\$ 1,145

- (2) The Investments accounted for using equity method and the Group's share of its profit or loss and other comprehensive income are calculated based on the Auditor's Financial Report.

3. As of December 31, 2023, and 2022, the investments accounted for using the equity method by the Group were not pledged.

(XIII) Property, plants and equipment

Item(s)	December 31, 2023	December 31, 2022
Land	\$ 346,728	\$ 913,828
Buildings and structures	382,316	425,687
Machinery and equipment	996,821	1,029,857
Transportation equipment	45,475	40,345

Other facilities	67,888	63,422
Equipment under acceptance and unfinished projects	239,619	202,724
Total Cost	\$ 2,078,847	\$ 2,675,863
Less: Accumulated depreciation	(1,064,196)	(1,083,315)
Accumulated impairment	(34,568)	(12,204)
Total	\$ 980,083	\$ 1,580,344

						Equipment under acceptance and unfinished projects	
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other facilities		Total
Cost							
Balance at January 1, 2023	\$ 913,828	\$ 425,687	\$1,029,857	\$ 40,345	\$ 63,422	\$ 202,724	\$2,675,863
Addition	300	-	-	275	218	404,257	405,050
Inventory transfers	-	-	-	-	-	9,505	9,505
disposal	-	(25,322)	(34,431)	(14,196)	-	-	(73,949)
Transferred to expenses	-	-	(552)	-	-	(65)	(617)
Reclassification	14,000	59,912	231,155	19,051	4,248	(328,366)	-
Transfer of right-of-use assets	-	-	-	-	-	2,857	2,857
Reclassification of investment property	-	-	-	-	-	(51,293)	(51,293)
Reclassification of non-current assets held for sale	(581,400)	(77,961)	(229,208)	-	-	-	(888,569)
Balance at December 31, 2023	\$ 346,728	\$ 382,316	\$ 996,821	\$ 45,475	\$ 67,888	\$ 239,619	\$2,078,847
Accumulated Depreciation and Impairment							
Balance at January 1, 2023	\$ -	\$ 312,005	\$ 719,760	\$ 25,954	\$ 37,800	\$ -	\$1,095,519
Depreciation expense	-	5,021	13,972	3,675	2,502	-	25,170

disposal	-	(25,322)	(32,464)	(14,141)	-	-	(71,927)
Provision for impairment losses	-	238	49,764	-	-	-	50,002
Balance at December 31, 2023	\$ -	\$ 291,942	\$ 751,032	\$ 15,488	\$ 40,302	\$ -	\$1,098,764

						Equipment under acceptance and unfinished projects	
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other facilities		Total
Cost							
Balance as of January 1, 2022	\$ 720,588	\$ 425,506	\$1,029,011	\$ 30,036	\$ 41,054	\$ 30,936	\$2,277,131
Addition	260	181	846	-	715	202,676	204,678
Inventory transfers	-	-	-	-	-	1,074	1,074
Transfer of investment property	192,980	-	-	-	-	-	192,980
Reclassification	-	-	-	10,309	21,653	(31,962)	-
Balance at December 31, 2022	\$ 913,828	\$ 425,687	\$1,029,857	\$ 40,345	\$ 63,422	\$ 202,724	\$2,675,863
Accumulated Depreciation and Impairment							
Balance as of January 1, 2022	\$ -	\$ 308,318	\$ 707,404	\$ 24,477	\$ 35,793	\$ -	\$1,075,992
Depreciation expense	-	3,687	12,356	1,477	2,007	-	19,527
disposal	-	-	-	-	-	-	-
Balance at December 31, 2022	\$ -	\$ 312,005	\$ 719,760	\$ 25,954	\$ 37,800	\$ -	\$1,095,519

1. The adjustments between additions in this period and Acquisition of property, plant and equipment on the cash flow statement are as follows:

Item(s)	2023	2022
Increase in property, plant and equipment	\$ 405,050	\$ 204,678
Increase or decrease in payable for machinery and equipment purchase	7,367	(11,471)
Cash paid for the purchase of property, plant and equipment	\$ 412,417	\$ 193,207

2. Capitalization amount and interest rate range of borrowing costs for property, plant and equipment: None.
3. The Group plans to demolish the buildings and equipment of the Kaohsiung plant. As the related buildings and equipment have a Book Value that cannot be recovered through continued use or sale, impairment losses are recognized based on the estimated disposal value of the assets. Impairment losses amounted to NTD 50,002 thousand and NTD 0 thousand for the years ended 2023 and 2022, respectively.
4. Information on assets provided as collateral using property, plant and equipment: None.

(XIV) Lease Agreement

1. Right-of-use assets

Item(s)	December 31, 2023	December 31, 2022
Land	\$ 444,571	\$ 482,487
Buildings	499,255	475,149
Transportation equipment	6,060	6,372
Total Cost	\$ 949,886	\$ 964,008
Less: Accumulated depreciation	(322,057)	(251,280)
Accumulated impairment	-	-
Net	\$ 627,829	\$ 712,728

Cost	Land	Buildings	Transportation equipment	Total
Balance at January 1, 2023	\$ 482,487	\$ 475,149	\$ 6,372	\$ 964,008
Increase in this period	-	35,603	3,908	39,511
Transferred to Property, plant and equipment	-	(2,857)	-	(2,857)
Decrease in the current period	(37,916)	(8,640)	(4,220)	(50,776)
Balance at December 31, 2023	\$ 444,571	\$ 499,255	\$ 6,060	\$ 949,886
Accumulated Depreciation and Impairment				
Balance at January 1, 2023	\$ 219,881	\$ 27,103	\$ 4,296	\$ 251,280
Depreciation expense	50,392	22,620	1,985	74,997
Decrease in the current period	-	-	(4,220)	(4,220)
Balance at December 31, 2023	\$ 270,273	\$ 49,723	\$ 2,061	\$ 322,057

Cost	Land	Buildings	Transportation equipment	Total
Balance as of January 1, 2022	\$ 427,389	\$ 97,208	\$ 5,261	\$ 529,858
Increase in this period	55,098	377,941	1,111	434,150
Decrease in the current period	-	-	-	-
Balance at December 31, 2022	\$ 482,487	\$ 475,149	\$ 6,372	\$ 964,008
Accumulated Depreciation and Impairment				
Balance as of January 1, 2022	\$ 165,516	\$ 4,350	\$ 2,331	\$ 172,197
Depreciation expense	54,365	22,753	1,965	79,083
Decrease in the current period	-	-	-	-
Balance at December 31, 2022	\$ 219,881	\$ 27,103	\$ 4,296	\$ 251,280

2. Adjustments to the acquisition of use-of-right assets in the current period and the cash flow statement are as follows:

Item(s)	2023	2022
Increase in right-of-use assets	\$ 39,511	\$ 434,150
Increase in lease liabilities	(7,061)	(409,370)
Increase or decrease in payable for the purchase of right-of-use assets	600	(833)
Cash paid for the purchase of Right-of-use assets	\$ 33,050	\$ 23,947

3. Lease liabilities

Item(s)	December 31, 2023	December 31, 2022
Book value of lease liabilities		
Current	\$ 38,976	\$ 67,398
Non-current	\$ 504,194	\$ 568,720

The discount rate range of lease liabilities is as follows:

Item(s)	December 31, 2023	December 31, 2022
Land	0.78%-2.03%	0.78%-2.03%
Buildings	0.78%-1.756%	0.78%-2.03%
Transportation equipment	1.16%-2.13%	1.16%-2.03%

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

4. Significant Leasing Activities and Terms

The Group leases several pieces of land, buildings, and transportation equipment for operations, factories, and external roads. The lease term is 3-20 years. Some leases include renewal options upon expiration, while others are based on segmented values and rates according to the leased land area or calculated based on the current land value announced for the year. The Group has included the renewal right of the lease that is due to expire in the lease liabilities. Additionally, as per the contract, the assets subject to the lease the Company cannot sublease the leased assets to others without the lessor's consent. As of December 31, 2023 and 2022, there were no indicators of impairment for right-of-use assets, hence no impairment assessment was conducted.

Due to the severe impact of the COVID-19 pandemic on the market economy in 2021, the Group negotiated the land lease agreement with the landlord. The landlord agreed to unconditionally reduce a portion of the rent expense for 2022. The Group recognized the impact of the aforementioned lease concession

amounting to NTD 3,790 thousand in the income statement (listed under other income) in 2022.

5. Sublease:

The Group has subleased the 8th floor of the Southeast Building to the Bureau of Vocational Training of the Ministry of Labor through an operating lease, and the related right-of-use assets are derecognized due to the sublease, while the lease payments receivable are recognized at the same time. The revenues from subleasing right-of-use assets for 2023 and 2022 were NTD 13 thousand and NTD 28 thousand respectively.

6. Other lease information

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

Item(s)	2023	2022
Short-term lease expenses	\$ 1,064	\$ 60
Leasing Expenses for Low-value Assets	\$ -	\$ -
Changes not included in the measurement of lease liabilities		
Lease Payment Expenses	\$ 67,331	\$ -
Total cash outflow from leases (Note)	\$ (120,902)	\$ (62,049)

(Note): It includes the payments of lease liabilities principal for the current period.

The Group chose to apply the exemptions for short-term leases and low-value assets leases that meet the recognition criteria in 2023 and 2022, without recognizing the related right-of-use assets and lease liabilities for such leases.

(XV) Investment property

Item(s)	December 31, 2023	December 31, 2022
Land	\$ 5,582,213	\$ 5,239,193
Buildings, structures, and equipment	154,233	759,818
Investment property under construction	1,742	-
Total Cost	\$ 5,738,188	\$ 5,999,011
Less: Accumulated depreciation	(106,889)	(498,392)
Accumulated impairment	-	(210,604)
Net	\$ 5,631,299	\$ 5,290,015

Cost	Land	Buildings, structures, and equipment	Investment property under construction	Total
Balance at January 1, 2023	\$ 5,239,193	\$ 759,818	\$ -	\$ 5,999,011
Addition	291,727	-	1,742	293,469
disposal	-	(605,585)	-	(605,585)
Property, plant and equipment transferred in	51,293	-	-	51,293
Balance at December 31, 2023	\$ 5,582,213	\$ 154,233	\$ 1,742	\$ 5,738,188
Accumulated Depreciation and Impairment				
Balance at January 1, 2023	\$ -	\$ 708,996	\$ -	\$ 708,996
Depreciation expense	-	3,478	-	3,478
disposal	-	(605,585)	-	(605,585)
Balance at December 31, 2023	\$ -	\$ 106,889	\$ -	\$ 106,889

			Buildings, structures, and equipment	Investment property under construction		Total
Cost	Land					
Balance as of January 1, 2022	\$ 5,317,887	\$ 759,818	\$ -	\$ 6,077,705		
Addition	114,286	-	-	114,286		
Disposal	-	-	-	-		
Transferred to Property, plant and equipment	(192,980)	-	-	(192,980)		
Balance at December 31, 2022	\$ 5,239,193	\$ 759,818	\$ -	\$ 5,999,011		
Accumulated Depreciation and Impairment						
Balance as of January 1, 2022	\$ -	\$ 697,781	\$ -	\$ 697,781		
Depreciation expense	-	4,241	-	4,241		
Impairment losses	-	6,974	-	6,974		
Balance at December 31, 2022	\$ -	\$ 708,996	\$ -	\$ 708,996		

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

Item(s)	2023	2022
Lease income from investment property	\$ 153,123	\$ 32,628
Direct operating expenses incurred by investment property that generated lease income in the current period.	\$ 59,205	\$ 54,051
Direct operating expenses incurred by investment property that did not generate lease income in the current period.	\$ 373	\$ 375

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

	Total significant lease payments	
	December 31, 2023	December 31, 2022
Year 1	\$ 3,573	\$ 3,343
Year 2	3,590	3,573
Year 3	3,590	3,590
Year 4	3,680	3,590
Year 5	3,698	3,680
More than 5 years	27,511	31,209
Total	<u>\$ 45,642</u>	<u>\$ 48,985</u>

3. The fair value of the investment property is partially based on the results of independent appraisal experts in recent years, using the comparison method; part of it is referenced from the Real Estate Transaction Actual Price Query Service Network of the Ministry of the Interior or real estate brokerage websites, querying similar locations and types of recent transaction prices as the basis of appraisal; part of it is based on current lease contracts, considering future cash flow discounts as the basis for appraisal. They all belong to the third level of fair value. The fair values obtained from the appraisal are as follows:

Item(s)	December 31, 2023	December 31, 2022
Fair value	<u>\$ 17,949,724</u>	<u>\$ 18,346,053</u>

4. As of December 31, 2023 and 2022, certain lands of the Group are temporarily registered under individual names due to legal restrictions and cannot be registered under the Company's name. However, to ensure equity, the Group has obtained the commitment of the registrant to unconditionally transfer to the name of the Group or has taken protective measures for the mortgage registration once the legal restrictions are lifted.
5. For information on investment property provided as collateral, please refer to Note VIII.
6. As mentioned in Note VI(XXXVI), due to the receipt of the termination of lease of Wannei Section land and its buildings from Boyuan Construction Co., Ltd., the book value of the related equipment could not be recovered through use or sale. Therefore, impairment losses were estimated based on the residual value of the related Assets upon disposal. Impairment losses (reversal of impairment gain) of NTD 6,974 thousand were recognized in 2022. The aforementioned residual value corresponds to Level 3 fair value.

(XVI) Intangible assets

Item(s)	December 31, 2023	December 31, 2022
Computer software costs	\$ 59	\$ 56
Less: Accumulated Amortizations	(33)	(16)
net	<u>\$ 26</u>	<u>\$ 40</u>

Cost	Computer software costs	Cost	Computer software costs
Balance at January 1, 2023	\$ 56	Balance as of January 1, 2022	\$ 105
Addition	17	Addition	56
Maturity derecognition	(14)	Maturity derecognition	(105)
Balance at December 31, 2023	<u>\$ 59</u>	Balance at December 31, 2022	<u>\$ 56</u>

Accumulated depreciation	Computer software costs	Accumulated depreciation	Computer software costs
Balance at January 1, 2023	\$ 16	Balance as of January 1, 2022	\$ 105
Amortization expense	31	Amortization expense	16
Maturity derecognition	(14)	Maturity derecognition	(105)
Balance at December 31, 2023	<u>\$ 33</u>	Balance at December 31, 2022	<u>\$ 16</u>

(XVII) Refundable Deposits

Item(s)	December 31, 2023	December 31, 2022
Mining Deposits	\$ 562	\$ 562
Lease deposit	19,692	16,202
Membership deposit	165	165
Other deposits	15,712	2,069
Total	<u>\$ 36,131</u>	<u>\$ 18,998</u>

(XVIII) Short-term loans

Nature of Loans	December 31, 2023	
	Amount	Interest rate
Mortgage loans	\$ 608,000	1.75%-1.8%
Credit loans	290,000	1.65%-1.82378%
Total	<u>\$ 898,000</u>	

Nature of Loans	December 31, 2022	
	Amount	Interest rate
Mortgage loans	\$ 1,450,000	1.59%-1.975%
Credit loans	80,000	1.40%
Total	<u>\$ 1,530,000</u>	

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

(XIX) Short-term notes payable

Item(s)	December 31, 2023	December 31, 2022
Commercial papers payable	\$ 295,000	\$ 420,000
Less: Unamortized discount	(205)	(295)
Net	<u>\$ 294,795</u>	<u>\$ 419,705</u>
Interest Rate Range	<u>1.758%-2.22%</u>	<u>1.96%-2.36%</u>

(XX) Contract liabilities- Current

Item(s)	December 31, 2023	December 31, 2022
To-be-recognized Cement expenses	\$ 43,573	\$ 18,843
Advance sales receipts	108	27
Total	<u>\$ 43,681</u>	<u>\$ 18,870</u>

(XXI) Other payables

Item(s)	December 31, 2023	December 31, 2022
Salary and bonus payable	\$ 17,852	\$ 19,381
Payable Goods Tax	-	7,713
Utility payable	1,057	9,106
Tax payable	5,536	3,954
Compensation due to employees and directors - the Company	11,502	9,594
Compensation due to employees and directors - Subsidiary	1,901	-
Payable on machinery and equipment - Property, plant and equipment	5,080	12,447
Payable on machinery and equipment - Right-of-use assets	233	833
Dividends payable - Previous period	4,451	3,977
Accrued factory demolition expenses	55,580	-
Others	38,453	22,382
Total	\$ 141,645	\$ 89,387

(XXII) Provisions-Current

Item(s)	December 31, 2023	December 31, 2022
Employee benefits/welfare	\$ 1,769	\$ 1,441

Item(s)	Employee benefits/welfare	Item(s)	Employee benefits/welfare
January 1, 2023	\$ 1,441	January 1, 2022	\$ 1,572
Current additions to Provisions	1,769	Current additions to Provisions	1,441
Current use of Provisions	(1,441)	Current use of Provisions	(1,572)
December 31, 2023	\$ 1,769	December 31, 2022	\$ 1,441

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

(XXIII) Long-term loans and long-term liabilities due in a year

Item(s)	December 31, 2023	December 31, 2022
Credit loans	\$ 265,900	\$ -
Less: Due within one year	-	-
Total	\$ 265,900	\$ -
Interest Rate Range	2.095%	-

(XXIV) Pension expense

1. At the end of 2004, the Group implemented voluntary retirement and resignation proceedings for employees in accordance with the Labor Standards Act. Since July 1, 2005, the Group has established a defined contribution retirement plan in accordance with the "Labor Retirement Pension Act," applicable to local employees. Regarding the portion of the employee retirement pension system under the "Labor Retirement Pension Act" chosen by employees, the Group contributes 6% of the salary monthly to the employees' individual accounts at the Labor Insurance Bureau. The payment of employee retirement benefits is made either on a monthly basis or as a lump sum, depending on the amount in the employees' individual retirement accounts and accumulated earnings.
2. The Group recognized retirement benefit costs in accordance with the above retirement plan, amounting to aforementioned NTD 4,319 thousand and NTD 4,078 thousand in 2023 and 2022 respectively.

(XXV) Deposits received

Item(s)	December 31, 2023	December 31, 2022
Lease deposit	\$ 8,552	\$ 8,546
Cement deposit	2,882	3,282
Others	4,897	-
Total	<u>\$ 16,331</u>	<u>\$ 11,828</u>

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

(XXVI) Ordinary share(s)

Item(s)	2023		2022	
	Shares (in thousands)	Amount	Shares (in thousands)	Amount
January 1st	572,000	\$ 5,720,008	572,000	\$ 5,720,008
Cash capital increase	-	-	-	-
Capitalization of earnings	-	-	-	-
December 31st	<u>572,000</u>	<u>\$ 5,720,008</u>	<u>572,000</u>	<u>\$ 5,720,008</u>

As of December 31, 2023, the Company has a registered capital of NTD 8,000,000 thousand, divided into 800,000 thousand shares.

(XXVII) Capital surplus

Item(s)	December 31, 2023	December 31, 2022
Additional paid-in capital	\$ 118,316	\$ 118,316
Treasury share transactions	67,161	67,056
Recognized due to investments accounted for using equity method	3,211	3,211
Total	<u>\$ 188,688</u>	<u>\$ 188,583</u>

In accordance with the Company Act, the capital surplus from the excess of issue prices over the par value of shares and capital surplus from donated assets received, apart from being used to offset losses, can be distributed as new shares or cash based on the proportion of original shareholdings when the Company has no accumulated losses. In accordance with the relevant regulations of the Securities Exchange Act, when the aforementioned the capital surplus allocated to increase capital shall not exceed ten percent of the paid-in capital annually. When the retained earnings are insufficient to cover the capital deficit, capital surplus cannot be used to supplement it. The Company Capital surplus generated from investments accounted for using the equity method shall not be used for any purpose.

(XXVIII) Retained Earnings and Dividend Policy

1. According to the Retained earnings and dividend policy stipulated in the Company's articles of association, if the Company's annual final accounts show a profit, it should first pay Taxes, offset past losses, and then set aside 10% as a Legal reserve until the Legal reserve has reached the total capital of the Company. After providing or reversing the Special reserve according to the requirements of the competent authority, the remaining balance, together with the accumulated Unappropriated retained earnings of previous years and the adjustment of Unappropriated retained earnings in the current year, serve as the distributable profits. The Board of Directors will draw up a profit distribution plan, which will be submitted to the shareholders' meeting for resolution and then distributed as shareholder dividends. The distribution of dividends by the Company should consider the characteristics of changes in business conditions, considering the future funding needs and long-term financial planning based on the life cycle of various products or services. While aiming to maintain stable dividends, the principle is to distribute all dividends to shareholders in the form of cash dividends. However, if the Company has capital needs for capacity expansion, improving financial structure, significant investment plans, etc., more than fifty percent shall be in the form of stock dividends, with the remainder in cash dividends.
2. The statutory surplus reserve may not be utilized except for offsetting company losses or issuing new shares or cash dividends in proportion to existing shareholders' equity. However, in cases where new shares or cash dividends are issued, utilization is limited to the portion of the reserve exceeding twenty-five percent of the paid-in capital.
3. (1) When the Company distributes profits, the Company shall first allocate special surplus reserves in accordance with legal regulations based on the debit balance of other equity items as of the year-end balance sheet date. Upon subsequent reversal of the debit balance of other equity items, the reversal amount may be included in distributable profits.

(2) In the first adoption of IFRSs, the Company, in accordance with the Financial Supervisory Commission Letter No. 1010012865 dated April 6, 2012, appropriated special reserve. Subsequently, if there is any use, disposal or reclassification of related assets, the proportion of original special reserve appropriated can be reversed to distributable retained earnings.
4. The profit distribution resolutions and dividends per share approved by the shareholders' meetings in June 2023 and June 2022 for the years 2022 and 2021 are as follows:

Item(s)	Earnings Distribution Proposal		Earnings Per Share (EPS)	
	2022	2021	2022	2021
Legal reserve	\$ 14,952	\$ 14,023		
Stock dividends of common share	57,200	114,400	\$ 0.10	\$ 0.20
Total	<u>\$ 72,152</u>	<u>\$ 128,423</u>		

5. The Company's Board of Directors proposed the following profit distribution for 2023 on March 14, 2024:

	Earnings Distribution Proposal	Earnings Per Share (EPS)
Legal reserve	\$ 14,932	
Cash dividends	114,400	\$ 0.20
Total	<u>\$ 129,332</u>	

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

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

(XXIX) Special reserves

Item(s)	December 31, 2023	December 31, 2022
Reserve for factory construction	\$ 500,000	\$ 500,000
Initial application of International Financial Reporting Standards (IFRSs) provision.	310,918	310,918
Total	<u>\$ 810,918</u>	<u>\$ 810,918</u>

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

3. The special reserve provisioned due to the initial adoption of IFRSs listed above, may be reversed to retained earnings at a proportionate rate upon subsequent disposal, use, or reclassification of related assets by the Company. As of December 31, 2023, \$8,094 thousand was reversed from the initially provisioned special surplus reserve to retained earnings due to the disposal of investment properties.

(XXX) Other equity

Item(s)	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
	2023	2022
Beginning balance	\$ 523,949	\$ 551,296
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	193,248	(19,824)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	197	(475)
Equity Instruments		
Share of unrealized valuation gains (losses) from investments in equity instruments measured at fair value through other comprehensive income of associates and joint ventures accounted for using equity method	6,229	(7,048)
Ending balance	<u>\$ 723,623</u>	<u>\$ 523,949</u>

(XXXI) Treasury shares

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

2023:

Unit: Thousand shares

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

2022:

Unit: Thousand shares

Item(s)	Beginning shares	Increase (decrease) in this period	Ending shares
Subsidiary's holding of the parent company's shares is reclassified from long-term investments to treasury shares.	2,113	-	2,113

- At the end of December 2011, the Company acquired control over Southeast Paper Manufacturing Co., Ltd. resulting in the reclassification of its carrying value of NTD 24,509 thousand (representing 49.71% ownership) from an investment in the parent company (financial assets measured at fair value through other comprehensive income - non-current) to treasury stock. The amounts as of December 31, 2023, and December 31, 2022, were both NTD 12,185 thousand. The market prices of the shares held by Southeast Paper Manufacturing Co., Ltd. in the Company were NTD 39,722 thousand and NTD 39,511 thousand on December 31, 2023 and 2022, respectively. Shares of the parent company held by subsidiaries are treated as treasury stock and retain dividend entitlements.

(XXXII) Non-controlling interests

Item(s)	2023	2022
Beginning balance	\$ 94,962	\$ 86,984
Portion attributable to non-controlling interests:		
Net profit for the current year	6,531	(40,919)
Other comprehensive income for the current year	29	(44)
Changes		
Changes in non-controlling interests	106	48,941
Ending balance	<u>\$ 101,628</u>	<u>\$ 94,962</u>

(XXXIII) Operating revenue

Item(s)	2023	2022
Revenue from customer contracts		
Sales revenue	\$ 2,121,144	\$ 1,746,460
Engineering services revenue	-	15,145
Total operating revenue from customer contracts	<u>\$ 2,121,144</u>	<u>\$ 1,761,605</u>
Less: Sales discounts and allowances	(749)	(218)
Net operating revenue from customer contracts	<u>\$ 2,120,395</u>	<u>\$ 1,761,387</u>
Rental revenue	153,123	32,628
Operating revenue, net	<u>\$ 2,273,518</u>	<u>\$ 1,794,015</u>

1. Description of customer contracts

A. Sales revenue

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

B. Sale of Buildings and Land

The construction division mainly sells to unspecified home buyers, selling at a fixed price as stipulated in the contract.

2. Other operating income

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

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

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

	2023	2022
Main Regional Markets		
Taiwan	\$ 2,120,395	\$ 1,761,387
Main product line		
Cement	\$ 1,534,678	\$ 1,373,855
Hearthstone powder	219,771	172,357
Current raw materials	6,809	1,370
Ready-mixed concrete	359,137	198,660
Engineering services revenue	-	15,145
Total	\$ 2,120,395	\$ 1,761,387
Time of Revenue Recognition		
Fulfilment of obligations at a specific point in time	\$ 2,120,395	\$ 1,746,242
Gradually fulfilment of obligations over time	-	15,145
Total	\$ 2,120,395	\$ 1,761,387

4. Contract balance

The Group recognizes the receivables and contract liabilities related to customer contract revenues as follows:

Item(s)	December 31, 2023	December 31, 2022
Receivables	\$ 604,211	\$ 374,887
Current contract liabilities	\$ 43,681	\$ 18,870

5. Significant changes in contract assets and contract liabilities

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

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

**The amount recognized as
Revenues for the current**

period	2023	2022
From the beginning of period contract liabilities	\$ 18,549	\$ 29,274
From the performance obligations that have been satisfactorily fulfilled in previous periods	\$ -	\$ -

(XXXIV) Employee benefits, depreciation, amortization and depreciation and amortization expense

Category	2023		Total
	Recognized in operating expenses	Recognized in operating expenses	
Employee benefits expenses			
Salary Expenses	\$ 51,271	\$ 59,370	\$ 110,641
Labor and Health Insurance Expense	3,936	5,440	9,376
Pension expense	2,310	2,009	4,319
Other employee benefits expense	8,560	4,481	13,041
Depreciation expense	71,882	31,763	103,645
Amortization expense	-	31	31
Total	\$ 137,959	\$ 103,094	\$ 241,053

Category	2022		Total
	Recognized in operating expenses	Recognized in operating expenses	
Employee benefits expenses			
Salary Expenses	\$ 56,102	\$ 50,402	\$ 106,504
Labor and Health Insurance Expense	3,912	4,768	8,680
Pension expense	2,390	1,688	4,078
Other employee	7,352	4,004	11,356

benefits expense			
Depreciation expense	56,944	45,907	102,851
Amortization expense	-	16	16
Total	<u>\$ 126,700</u>	<u>\$ 106,785</u>	<u>\$ 233,485</u>

1. According to the Company's articles of incorporation, if the Company generates profits for the year, it shall allocate Employee Remuneration and director remuneration at rates not less than 2% and not more than 3% of the pre-tax profits for the year, respectively, before deducting employee and director remuneration. However, when the Company has accumulated losses, an amount shall be reserved for offsetting the losses. For the years 2023 and 2022, Employee Remuneration was estimated at not less than 2% and director remuneration was estimated at not more than 3% of the aforementioned pre-tax profits. If there are any changes in the amounts after the issuance date of the annual financial statements, adjustments will be made in the subsequent year's accounts based on accounting estimates.
2. The Company's Board of Directors respectively approved the employee and director remuneration for the year 2023 and 2022, as well as the associated amounts recognized in the financial statements on March 14th, 2024 and 2023 as follows:

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

The employee remuneration is all paid in cash.

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

(XXXV) Interest income

Item(s)	2023	2022
Interest income from bank deposits	\$ 5,145	\$ 4,005
Interest income on lease payments receivable	13	28
Others interest	1,138	240
Total	<u>\$ 6,296</u>	<u>\$ 4,273</u>

(XXXVI) Other income

Item(s)	2023	2022
Dividend income	\$ 55,983	\$ 54,256
Demolition compensation	-	114,286
Revenue from sale of air pollution reduction amount	6,990	916
Revenue from the sale of scrap iron, etc.	141	156
Rent expense reduction income	-	3,790
Others	11,471	10,690
Total	<u>\$ 74,585</u>	<u>\$ 184,094</u>

The compensation of demolition and relocation was received on October 6, 2022, following a notice from Bo Yuan Construction Corp., terminating the lease agreement for the land located at No. 763, Wan Nei Section, Sanmin District, Kaohsiung City, along with the building numbered 674 on the same plot. According to Article 1 of the Supplementary Agreement to the Lease Contract and Article 9, Section 1 of the Lease Contract, the contract was terminated on October 14, 2022. As per the agreement, the lessee is required to pay NTD 114,286 thousand (exclusive of tax) to the Company upon termination of the lease as compensation for the demolition and relocation of the aforementioned building.

(XXXVII) Other gains and losses

Item(s)	2023	2022
Net valuation gains (losses) on financial assets and liabilities at fair value through profit or loss	\$ 13,998	\$ (35,305)
Gains (losses) on disposal of financial assets measured at fair value through profit or loss	1,575	(4,812)
Net foreign exchange gains (losses)	(543)	17,282
Gain (loss) on disposal of property, plant and equipment	3,488	-
Impairment loss recognized in profit or loss, property, plant and equipment	(50,002)	-
Impairment loss recognized in profit or loss, investment property	-	(6,974)
Loss (gain) on disposal of non-current assets classified as held for sale	167,435	-
Other losses	(15,769)	(7,937)
Profit from lease modification	946	-
Other impairment loss	-	(702)
Loss on demolition of Kaohsiung plant	(55,580)	-
Total	<u>\$ 65,548</u>	<u>\$ (38,448)</u>

1. Regarding Other impairment loss, please refer to the description in Note VI(XLII).
2. Regarding the disposal loss of Kaohsiung plant, please refer to the description in Note IX.

(XXXVIII) Finance costs

Item(s)	2023	2022
Interest on bank loans	\$ 33,074	\$ 14,278
Interest on lease liabilities	4,746	4,389
Others interest	143	245
Subtotal	\$ 37,963	\$ 18,912
Less: Capitalized amount of assets that meet the criteria	(6,680)	(902)
Finance costs	\$ 31,283	\$ 18,010

(XXXIX) Income tax

1. Tax expense

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

	2023	2022
<u>Current tax</u>		
Current income tax generated	\$ 39,121	\$ -
Tax amount levied on unappropriated retained earnings	423	-
Overestimation or underestimation of income tax in previous years	(14)	(1,262)
Current total income tax	\$ 39,530	\$ (1,262)
<u>Deferred income tax</u>		
Temporary differences that originated and reversed	\$ (8,207)	\$ 2,815
Total deferred income tax	\$ (8,207)	\$ 2,815
Tax expense (income)	\$ 31,323	\$ 1,553

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

2. The adjustment of accounting income and tax expense recognized in profit or loss for the year is as follows:

Item(s)	2023	2022
Profit before tax	\$ 187,376	\$ 109,677
Tax amount calculated at statutory tax rate based on profit before tax	\$ 37,475	\$ 21,935
Tax impact of Adjustments:		
Effect of items not included in the calculating taxable income		
Losses (gains) recognized using equity method on investments	(2,570)	(1,853)
Unrealized loss (gain) from decline in	1,012	(1,261)

value of current inventories		
Unrealized demolition losses	11,116	-
Other Adjustments	(7,912)	(18,821)
Tax amount levied on unappropriated retained earnings	423	-
Net change in deferred income tax	(8,207)	2,815
Overestimation or underestimation of income tax in previous years	(14)	(1,262)
Tax expense recognized in profit or loss	<u>\$ 31,323</u>	<u>\$ 1,553</u>

The applicable tax rate for the Group under the Republic of China Income Tax Act is 20%, while the tax rate applicable to undistributed earnings is 5%.

In July of 2019, President of Taiwan promulgated amendments to the Industrial Innovation Act, introducing a provision whereby undistributed earnings from 2018 onwards, reinvested in specific assets or technologies up to a certain amount, are deductible when calculating undistributed earnings. When calculating the tax on undistributed earnings, the Group has already deducted the capital expenditure amount reinvested in accordance with the specified year's undistributed earnings.

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

	2023		
	Beginning balance	Recognized in profit or loss	Ending balance
Deferred tax assets			
Temporary difference			
To-be-recognized Cement expenses	\$ 373	\$ 258	\$ 631
Impairment loss recognized in profit or loss, investment property	42,121	(42,121)	-
Impairment loss recognized in profit or loss, property, plant and equipment	2,441	4,473	6,914
Unrealized demolition losses	-	11,116	11,116
Loss for market price decline and obsolete and slow-moving inventories	4,514	1,012	5,526
Others	3,409	(1,351)	2,058
Unused loss carryforwards	22,300	2,560	24,860
Subtotal	\$ 75,158	\$ (24,053)	\$ 51,105
Deferred tax liabilities			
Reserve for land value increment tax	\$ (260,570)	\$ -	\$ (260,570)
Temporary difference			
Depreciation Tax Differences	(40,878)	32,260	(8,618)
Subtotal	\$ (301,448)	\$ 32,260	\$ (269,188)
Total	\$ (226,290)	\$ 8,207	\$ (218,083)

	2022		
	Beginning balance	Recognized in profit or loss	Ending balance
Deferred tax assets			
Temporary difference			
To-be-recognized	\$	\$	\$
Cement expenses	326	47	373
Impairment loss			
recognized in profit or loss, investment property	40,726	1,395	42,121
Impairment loss	2,441	-	2,441
recognized in profit or loss, property, plant and equipment			
Investment profit			
recognized using the equity method	2,370	(2,370)	-
Loss for market price decline and obsolete and slow-moving inventories	5,775	(1,261)	4,514
Others	10,008	(6,599)	3,409
Unused loss carryforwards	19,491	2,809	22,300
Subtotal	\$ 81,137	\$ (5,979)	\$ 75,158
Deferred tax liabilities			
Reserve for land value increment tax	\$ (260,570)	\$ -	\$ (260,570)
Temporary difference			
Depreciation Tax Differences	(44,042)	3,164	(40,878)
Subtotal	\$ (304,612)	\$ 3,164	\$ (301,448)
Total	\$ (223,475)	\$ (2,815)	\$ (226,290)

4. Items not recognized as deferred tax assets:

Item(s)	December 31, 2023	December 31, 2022
Deductible Temporary Differences	\$ 21,800	\$ 21,523
Offset of losses	28,212	49,118
Total	<u>\$ 50,012</u>	<u>\$ 70,641</u>

5. The corporate income tax of the Company's profitable business has been assessed by the tax authority up to 2021.

(XL)Other comprehensive income

Item(s)	2023		
	Profit before tax	Income Tax (Expense) Benefit	Net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:			
Share of profit or loss of associates and joint ventures accounted for using equity method			
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	\$ 6,258	\$ -	\$ 6,258
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	193,248	-	193,248
Recognized in Other comprehensive income	<u>\$ 199,506</u>	<u>\$ -</u>	<u>\$ 199,506</u>

Item(s)	2022		
	Profit before tax	Income Tax (Expense) Benefit	Net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:			
Share of profit or loss of associates and joint ventures accounted for using equity method			
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	\$ (1,811)	\$ -	\$ (1,811)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(25,105)	-	(25,105)
Recognized in Other comprehensive income	\$ (26,916)	\$ -	\$ (26,916)

(XLI) Earnings per ordinary share

Item(s)	2023	2022
A. Basic earnings per share:		
Profit (loss)	\$ 149,522	\$ 149,043
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Basic earnings per share (after tax) (NTD)	\$ 0.26	\$ 0.26
B. Diluted earnings per share:		
Profit (loss)	\$ 149,522	\$ 149,043
Effects of potential ordinary shares with dilutive effect	-	-
Profit for the year for calculating Diluted earnings per share	\$ 149,522	\$ 149,043

Weighted average number of shares			
outstanding for the current period (in thousands)	\$	569,887	\$ 569,887
Number of Impact from Employee Remuneration (Note)		359	298
Calculation of the weighted average of diluted earnings per share	\$	570,246	\$ 570,185
Outstanding shares (in thousands)			
Diluted Earnings Per Share (After Tax) (NTD)		\$ 0.26	\$ 0.26

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

(XLII) Business Combination

1. Acquisition of subsidiaries

Company Name	Acquisition Date	Voting rights of ownership interests / Acquisition ratio (%)	Consideration transferred
Da Yang Construction	December 5, 2022	100%/100%	\$ 100,300

- (1) Da Yang Construction Co., Ltd.: For the consideration of long-term business development, diversified investment strategy, and clear division of dominance, the group has increased its equity in Da Yang Construction Co., Ltd., leading to an increase in the group's shareholding in Da Yang Construction Co., Ltd. from 0% to 100%.

2. Assets acquired and liabilities assumed on the acquisition date

	Da Yang Construction	
Current assets		
Cash and cash equivalents	\$	101,182
Receivables		2,434
Prepayments		558
Non-current assets		
Refundable Deposits		6
Current liabilities		
Payables		(3,913)
Contract liabilities		(669)
Identifiable net assets	\$	99,598

3. Goodwill arising from acquisition (Impairment losses)

	Da Yang Construction	
Consideration transferred	\$	100,300
Less: Fair value of identifiable net assets acquired		(99,598)
Goodwill arising from acquisition (Impairment losses)	\$	702

4. Net cash outflow from acquired subsidiaries

	Da Yang Construction	
Cash payment for consideration	\$	100,300
Less: Balance of cash and cash equivalents acquired		(101,182)
Total		(882)

VII. Transactions with Related Parties

(I) Parent Company and Ultimate Controlling Party:

The Company is the ultimate controller of this group.

(II) Name of the related party and the relationship

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

(III) Significant transactions with related parties

1. Operating revenue:

Item(s)	Category/Name of related parties	2023	2022
Sales revenue	Others related parties		
		\$	\$
	Tiancheng Concrete Industry Co., Ltd.	159,772	169,876
	Others	48,605	33,675
	Total	\$ 208,377	\$ 203,551
Rental revenue	Associates	\$ 141	\$ 141
	Others related parties	46	41
	Total	\$ 187	\$ 182

(1) Sales:

The Group's sales prices to the aforementioned companies are roughly equal to those of general customers, with an average collection period of about 2-3 months. It has been agreed between both parties to extend the collection within one month.

(2) Rental revenue:

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

2. Purchases:

Related party category	2023	2022
Others related parties		
Others	\$ 1,545	\$ 78

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

3. Contract assets: None.

4. Contract liabilities: None.

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

Item(s)	Category/Name of related parties	December 31, 2023	December 31, 2022
Accounts receivable	Others related parties		
	Tiancheng Concrete Industry Co., Ltd.	\$ 33,186	\$ 30,852
	Others	8,910	3,807
Subtotal		\$ 42,096	\$ 34,659
Less: Loss allowance		(33)	(416)
Net		\$ 42,063	\$ 34,243
Refundable Deposits	Others related parties	\$ 7,346	\$ 7,346

The impairment loss (impairment gain and reversal of impairment loss) recognized on the aforementioned receivables due from related parties for the years 2023 and 2022 were (383) thousand and (2) thousand, respectively.

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

Item(s)	Related party category	December 31, 2023	December 31, 2022
Accounts payable	Others related parties	\$ 611	\$ -
Deposits received	Associates	\$ 60	\$ 60

7. Prepayments:

Category/Name of related parties	December 31, 2023	December 31, 2022
Associates		
Others	\$ 2	\$ 2

8. Property Transactions:

(1) Acquisition of financial assets:

Year 2023: None.

2022

Category/Name of related parties	Transaction object	Transaction amount
Others related parties		
Dong Shu Investments Co., Ltd.	Da Yang Construction Co., Ltd. holds 3,600 thousand shares.	\$ 40,120
Kuan-Hua Chen	Da Yang Construction Co., Ltd. holds 2,700 thousand shares.	30,090
	Total	<u>\$ 70,210</u>
Associates		
Southeast Construction Co., Ltd.	Da Yang Construction Co., Ltd. holds 2,700 thousand shares.	<u>\$ 30,090</u>

The aforementioned stock transaction price is determined by negotiating the per share net asset value of the invested company. As of December 31, 2023, the transaction price has been fully paid.

9. Lease Agreement:

(1) The acquired right-of-use assets from the lease

Account item/Category of related party/Name	Leased object	From January to December in 2023	From January to December in 2022
Acquisition of use-of-right assets			
Others related parties			
Taiwan Mixed Resource Development Co., Ltd.	Shan De Section and other buildings	\$ 32,450	\$ 47,610
Others	Transportation equipment	3,340	-
		<u>\$</u>	<u>\$</u>
	Total	<u>35,790</u>	<u>47,610</u>

Account item/Category of related party/Name	December 31, 2023	December 31, 2022
Lease liabilities		
Others related parties		
Zhengtai Cement Factory Co., Ltd.	\$ 7,441	\$ 61,690
Taiwan Mixed Resource Development Co., Ltd.	148,350	155,085
Others	15,249	15,175
Total	<u>\$ 171,040</u>	<u>\$ 231,950</u>

Account item/Category of related party/Name	2023	2022
Interest expense		
Others related parties	\$ 3,546	\$ 3,625

(2) Lease expenses:

Category/Name of related parties	2023	2022
	\$	\$
Associates	12	12

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

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

11. Loans to related parties: None.

12. Loans from related parties: None.

13. Endorsement guarantee: None.

14. Others

(1) Various Revenues

Category/Name of related parties	2023	2022
Associates	\$ 127	\$ 931
Others related parties	590	660
Total	\$ 717	\$ 1,591

(2) Various expenses

Category/Name of related parties	2023	2022
Others related parties	\$ 1,905	\$ -

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

Related party

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

(4) Conclusion of Significant Contracts:

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

(IV) Key Management Compensation Information

Item(s)	2023	2022
Salaries and other short-term employee benefits	\$ 17,069	\$ 14,791
Post-employment benefits	186	392
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	<u>\$ 17,255</u>	<u>\$ 15,183</u>

VIII. Pledged Assets

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

Item(s)	December 31, 2023	December 31, 2022
Investment property	\$ 3,234,628	\$ 2,824,470

Please refer to Note VI, (XVII) for the term deposit provided as performance guarantee, which is included under Refundable Deposits.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

- (I) As of December 31, 2023 and 2022, the Group has issued the following statements of unused letters of credit: None.
- (II) As of December 31, 2023, and December 31, 2022, the Group's amounts of guarantee notes paid for loans and performance guarantees, as well as Deposits received for performance guarantees are as follows:

Item(s)	December 31, 2023	December 31, 2022
Refundable Deposits of Notes payable (Notes Payable)	\$ 1,788,666	\$ 1,527,313
Deposit Received of Notes receivable (Notes Receivable)	229,145	112,713

- (III) The Group has signed a joint venture and sales agreement with Taiwan Machinery Shipyard Co., Ltd., the relevant content is as follows:

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

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

1. Purpose and subject of lease

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

2. Contract agreement

- (1) Lease term: April 1, 2020 to March 31, 2040
- (2) Rent expense:
 - A. Land: The leased area is 4,488 pings, with a monthly lease of 673 thousand yuan (tax excluded), and the rent expense is set to increase by 3% every three years.
 - B. Buildings: The Group has undertaken the building expenses of the leased objects amounting to NTD 64,457 thousand, and additional engineering expenses amounting to NTD 23,666 thousand.
 - C. Construction Expenses: The construction and installation are fully funded by the Group and owned by the Group during the lease period. However, upon the termination or expiration of the contract, Taiwan Mixed Resources Development Co., Ltd. is not required to refund the construction expenses paid by the Group for the leased building.
- (3) Second lease extension period: September 1, 2022 to March 31, 2040

The details of the rent expense are as follows:

- (I) Land: The leased area is 824 pings, with a monthly rent expense of NTD 124 thousand (tax not included). From April 2023, rent will increase by 3% according to the previous year's rate. Subsequently, the rent will be adjusted to increase by 3% every three years.
- (II) Buildings: The Group bears the cost of the leased property, which amounts to NTD 12,000 thousand.
- (III) Construction Expenses: The lessee should first pay 10% of the total price of construction expenses for the leased building as the contract signing payment. The remaining construction expenses for the

leased building will be calculated by the lessor according to the progress of the construction work, and after deducting the contract signing payment proportionally, an invoice will be issued to the lessee for payment.

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

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

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

Item(s)	December 31, 2023	December 31, 2022
Property, plants and equipment	\$ 464,284	\$ 228,995
Right-of-use assets	3,573	8,499
Total	<u>\$ 467,857</u>	<u>\$ 237,494</u>

(VI) The contractor of this group - Jiongde Construction Co., Ltd., demolished the unused raw material storage warehouse on April 1, 2022, but it did not collapse as planned, crushing the power tower of Taiwan Power Company and the high-voltage cable of Taiwan High Speed Rail, causing a short circuit of the high-voltage cable of Taiwan High Speed Rail, and causing losses due to the suspension of Taiwan High Speed Rail and Taiwan Railways. This group received letters from the Taiwan Railways Administration of the Ministry of Transportation and Communications and the Tainan City Government in April and June 2022, respectively, and has demanded compensation from this group for 7,489 thousand and 2,410 thousand due to the aforementioned incident. This group has reached a consensus with the contractor - Jiongde Construction Co., Ltd., that the requests made by the Taiwan Railways Administration of the Ministry of Transportation and Communications and the Tainan City Government in accordance with the law shall be fully compensated by Jiongde Construction Co., Ltd. And the group will also urge Jiongde Construction Co., Ltd. to deal with the relevant matters of the compensation request as soon as possible. As of March 14, 2023, Jiongde Company has completed the payment of compensation to Taiwan Railways and Tainan City Government. The group has not received a specific compensation amount notice and request from the Taiwan High Speed Rail Company and other units.

(VII) Due to business operation considerations, the Board of Directors of the Group's Kaohsiung plant approved on May 11, 2023, to decrease the rented area of 5,318 square meters (about 1,608.7 pings) for storing raw supplies on land from Jung Tai Cement Plant (Stock) Company. The adjustment was retroactive from September 9, 2022, after both parties agreed. Both parties plan to make an additional "Lease Amendment Agreement" to adjust the rented area and rent expense. This could decrease the monthly rent expense by 209 thousand. The overpaid rent expense

during this period is planned to be refunded. The Group's Board of Directors approved the termination of the original lease contract and original agreement for the land rented from Cheng Tai Cement Factory Co., Ltd. on November 9, 2023. Both parties plan to establish an "additional lease agreement" to adjust the lease period and rent expense.

- (VIII) In October 2023, this group signed a factory demolition contract with Li Jin Enterprise Co., Ltd., with a total contract price of 55,580 thousand (excluding tax). Payments will be made according to the progress of the factory demolition. As of December 31, 2023, no payment has been made yet.

X. Significant Disaster Loss: None.

XI. Significant Subsequent Events: None.

XII. Others

(I) Capital Risk Management

The Group needs to maintain sufficient capital to support the expansion and upgrading of property, plant and equipment. Therefore, the capital management of this Group is to ensure that necessary financial resources and operational plans are available to support the operational funds and capital expenses required for the next 12 months.

(II) Financial Instruments

1. Financial risks of financial instruments

Financial risk management policy

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

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

The nature and extent of significant financial risks

(1) Market risk

A. Exchange Rate Risk

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

(B) Exchange rate exposure and sensitivity analysis

December 31, 2023						
Sensitivity Analysis						
	Foreign currency	Exchange rate	Amounts reported (NTD)	Fluctuation range	Impact on profit and loss	
					Equity Impact	
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD: NTD	2,668	30.705	81,936	Appreciated by 1%	819	-

December 31, 2022						
Sensitivity Analysis						
	Foreign currency	Exchange rate	Amounts reported (NTD)	Fluctuation range	Impact on profit and loss	
					Equity Impact	
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD: NTD	6,318	30.71	194,047	Appreciated by 1%	1,940	-

If the value of the New Taiwan Dollar appreciates relative to the aforementioned currencies, if all other factors remain unchanged, the amounts reflected in the aforementioned currencies would have an equal but opposite impact on December 31, 2023, and 2022.

- (C) The total amounts of all foreign exchange gains (losses) (including realized and unrealized) recognized in the years 2023 and 2022, due to significant influence of exchange rate fluctuations on the Group's monetary items, were (543) thousand and 17,282 thousand, respectively.

B. Price Risk

Due to the equity instruments held by the Group, the Group is exposed to the price risk of equity instruments. The Group's investments in equity instruments are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income in the consolidated balance sheet.

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

If the price of Equity increases or decreases by 1%, the after-tax profit or loss for 2023 and 2022 will respectively increase or decrease by \$2,414 thousand and \$5,575 thousand due to the rise or fall in the fair value of financial assets measured at fair value through profit or loss. The after-tax other comprehensive income for 2023 and 2022 will respectively increase or decrease by NTD 14,218 thousand and NTD 12,338 thousand due to the rise or fall in the fair value of financial assets measured at fair value through other comprehensive income.

C. Interest Rate Risk

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

Item(s)	Book Value	
	December 31, 2023	December 31, 2022
With fair value interest rate risk:		
Financial assets	\$ 193,282	\$ 317,218
Financial liabilities	(1,735,965)	(2,585,823)
net	<u>\$ (1,542,683)</u>	<u>\$ (2,268,605)</u>
With cash flow interest rate risk:		
Financial assets	\$ 202,346	\$ 154,960
Financial liabilities	(265,900)	-
Net	<u>\$ (63,554)</u>	<u>\$ 154,960</u>

Sensitivity analysis of fair value interest rate risk

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

Sensitivity analysis of cash flow interest rate risk

The financial instruments with variable interest rates of the Group are floating rate assets (liabilities), hence the changes in market interest rates will cause changes in their effective interest rates and result in fluctuations in future cash flows. For every 1% decrease (increase) in the market interest rate, the net profit for 2023 and 2022 will respectively increase (decrease) by (636) thousand and 1,550 thousand.

(2) Credit Risk

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

Operating-related credit risk

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

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

Financial credit risk

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

A. Concentrated risk of Margin trading

As of December 31, 2023, and 2022, the accounts receivable balances from the top ten customers accounted for 52.90% and 71.66% of the total accounts receivable balances of the Group, respectively, posing a concentrated credit risk. The concentration of credit risk from the remaining accounts receivable is comparatively not significant.

B. Measurement of Expected credit losses

- (a) Accounts receivable: Simplified procedure is adopted, please refer to Note VI (IV) for explanation.
- (b) Basis for judging whether credit risk has significantly increased: None. (The Group has neither investments measured at amortized cost nor investments in debt instruments designated at fair value through other comprehensive income.)

C. Increase in collateral held and others to mitigate the credit risk of financial assets:

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

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

Decrease in maximum exposure to credit risk					
December 31, 2022	Book Value	Collateral	Net Settlement Agreement Total	Other Credit Enhancements	Total
Financial instruments with credit impairment and to which IFRS 9 impairment rules apply	\$ -	\$ -	\$ -	\$ -	\$ -
Financial instruments not subject to the impairment provisions of IFRS 9:					
Financial assets at fair value through profit or loss	557,515	-	-	-	-
Financial assets at fair value through other comprehensive income	1,233,829	-	-	-	-
Total	\$ 1,791,344	\$ -	\$ -	\$ -	\$ -

(3) Liquidity risk

A. Management of liquidity risk

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

B. Maturity Analysis of Financial Liabilities

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

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

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

	Less than 1 year	1-5 years	5-10 years	10-20 years	Undiscounted total lease payments
Lease liabilities	\$ 44,573	\$ 140,372	\$ 166,070	\$ 244,993	\$ 596,008

December 31, 2022

Non-derivative financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash Flow	Book Value
Short-term loans	\$1,530,000	\$ -	\$ -	\$ -	\$ -	\$ 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
Deposits received	6,391	-	2,500	1,502	1,435	11,828	11,828
Total	\$2,322,839	\$ 50,604	\$ 58,309	\$ 128,047	\$ 440,460	\$ 3,000,259	\$ 2,939,744

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

	Less than 1 year	1-5 years	5-10 years	10-20 years	Undiscounted total lease payments
Lease liabilities	\$ 74,959	\$ 182,354	\$ 165,912	\$ 273,113	\$ 696,338

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

2. Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 287,887	\$ 296,374
Notes and accounts receivable (including related parties)	604,211	374,887
Other receivables	989	33,269
Other financial assets - Current	93,629	164,540
Refundable Deposits	36,131	18,998
Financial assets at fair value through profit or loss - Current	241,358	557,515
Financial Assets at Fair Value Through Other Comprehensive Income	1,421,796	1,233,829
Financial liabilities		
<u>Financial liabilities at amortized cost</u>		
Short-term loans	898,000	1,530,000
Short-term notes payable	294,795	419,705
Notes payable and Accounts payable (including related parties)	281,015	252,706
Other payables	141,645	89,387
Lease liabilities (including within one year)	543,170	636,118
Non-current portion of non-current loans	265,900	-
Deposits received	16,331	11,828

(III) Fair Value Information:

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

Level 1:

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

accessible to the public. The value of the beneficial certificates invested by the Company all belongs to those with active market public quotations.

Level 2:

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

Level 3:

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

3. Financial instruments not measured at fair value:

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

4. Fair value hierarchy information:

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

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

Item(s)	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Listed shares	\$ 144,337	\$ -	\$ -	\$ 144,337
Open-ended Fund	396,540	-	-	396,540
Bonds	16,638	-	-	16,638
Financial assets at fair value through other comprehensive income				
Stocks of listed companies in the country and over-the-counter market	868,897	-	-	868,897
Domestic unlisted company stocks	-	-	364,932	364,932
Total	<u>\$1,426,412</u>	<u>\$ -</u>	<u>\$ 364,932</u>	<u>\$ 1,791,344</u>

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

- (1) If there is an active market quotation for financial instruments, the fair value is the public quotation from the active market. The market prices announced by the Taipei Exchange and deemed as popular securities on the Government Bond Over-the-Counter Market are used as the basis for the fair value of listed (OTC) equity instruments and debt instruments with active market quotations.

If public quotes for financial instruments can be obtained promptly and frequently from exchanges, brokers, underwriters, trade unions, pricing service organizations, or competent authorities, and if the price represents actual and frequent fair market traders, then the financial instruments have active market public quotes. If the above conditions are not met, the market is considered inactive. Generally, a large bid-ask spread, a significant increase in the bid-ask spread, or a very small trade volume, are all indicators of an inactive market.

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

- A. Listed company stocks: closing price.

B. Open-end Fund: Net Value.

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

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

December 31, 2023:

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

December 31, 2022:

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

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

7. Level 3 Change Detail Table:

Item(s)	Financial assets at fair value through other comprehensive income - Unlisted stocks	Item(s)	Financial assets at fair value through other comprehensive income - Unlisted stocks
January 1, 2023	\$ 364,932	January 1, 2022	\$ 355,941
Acquisition for this period	1,134	Acquisition for this period	-
Capital reduction and return of capital for the current period	-	Capital reduction and return of capital for the current period	-
Disposal for this period	(4,314)	Disposal for this period	(542)
Recognized in Other comprehensive income	9,014	Recognized in Other comprehensive income	9,533
December 31, 2023	\$ 370,766	December 31, 2022	\$ 364,932

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

This group classifies the fair value evaluation process into the third level by using independent source data to make the evaluation results close to the market status, and regularly reviews it to ensure the evaluation results are reasonable.

9. For the third level of financial assets and financial liabilities fair value measurement, and sensitivity analysis of fair value to reasonably possible alternative assumptions: None.

(IV) Transfer of Financial Assets: None.

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

XIII. Supplementary Disclosure

(I) Information on significant transactions:

1. Funds lent to others: Table 1.
2. Endorsements and guarantees made for others: Table 2.
3. Marketable securities held by end of period: Table 3.
4. Marketable securities acquired and disposed of at costs or prices of at least NTD 300 million or 20% of the paid-In capital: none.
5. Acquisition of real estate properties at costs of at least NTD 300 million or 20% of the paid-In capital: None.
6. Disposal of individual real estate properties at prices of at least NTD 300 million or 20% of the paid-in capital: Table 4
7. Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital: See Table 5.
8. Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital: See Table 6.
9. Information about the derivative financial instruments' transaction: None.
10. The business relationship between the parent and the subsidiaries and significant transactions between them: Table 7.

(II) Information on reinvestment business: Table 8.

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

(IV) Information on major shareholders: Table 9.

Table 1

Southeast Cement Co., Ltd. and Subsidiaries
Details of Funds Lent to Others
December 31, 2023

Unit: NTD 1,000

Number	Name of the Company lending funds to others	Counter-party	Financial Statement Account	Related party	Maximum balance for this period	Ending balance	Amount Actually Drawn	Interest Rate Range	Nature for Financing	Transactions Amounts	Reasons for financing	Provision for allowance for bad debts amount	Collateral		Financing limit for individual entities	Maximum leasing limit
													Name	Value		
0	Southeast Cement Corporation	Dong Nai Construction Co., Ltd.	Other receivables due from related parties	Yes	100,000	100,000	-	1.885%	2	-	Operating capital	-	-	-	446,180 (Note 1)	892,361 (Note 2)

Note 1: Financing limit for individual entities:

(1)

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

(2)

Those necessary for short-term fund liaison with the Company: Up to a limit of 5% of the current net value.

Note 2: Maximum leasing limit:

(1)

Those who have business dealings with the Company: Up to a limit of 10% of the current net value.

(2)

Those necessary for short-term fund liaison with the Company: Up to a limit of 10% of the current net value.

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

(1)

Fill 1 for those who have business transactions.

(2)

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

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

Table 2

Southeast Cement Co., Ltd. and Subsidiaries
Endorsement and guarantee for others
December 31, 2023

Unit: NTD 1,000

Number	Endorser Company Name	Object of endorsements		Endorsement and guarantee limit for a single enterprise	The maximum balance of endorsements and guarantees for the current period	Endorsement and Guarantee Balance at the End of the Period	Amount Actually Drawn	Endorsement guarantee amount secured by property	The ratio of the accumulated amount of endorsements and guarantees to the net value of the most recent financial statements	Maximum endorsement guarantee limit	Endorsements and guarantees to subsidiaries by the parent company	Endorsement guarantees by subsidiaries to parent company	Endorsements and guarantees to mainland China
		Company Name	Relationship (Note 1)										
0	Southeast Cement Corporation	Southeast Topgood Resources Recycling Co., Ltd.	2	1,784,722 (Note 2)	335,580	335,580	-	-	3.76%	3,569,444 (Note 3)	Y	-	-
1	Southeast Investment Co., Ltd	Southeast Cement Corporation	3	196,775 (Note 4)	704	704	-	-	0.11%	262,367 (Note 5)	-	Y	-

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

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

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

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

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

(Note 5): Limited to 40% of the net value of the most recent financial statements audited or reviewed by the auditor of the subsidiary.

Table 3

Southeast Cement Co., Ltd. and Subsidiaries
Statement of Marketable Securities Held at End of Period
December 31, 2023

Unit: Thousand shares; NTD 1,000

Company held	Types and Names of Securities	Relationship with the issuer of securities	Account Item	Equity at end of period				Remarks
				Number of shares	Book Value	Shareholding Ratio	Fair value	
Southeast Cement Corporation	Stocks - Domestic Building Materials Industry	None	Financial assets at fair value through other comprehensive income	3,356	94,479	0.28	94,479	
	Stocks - CHC Resources	The Company is the legal director of that company.	Financial assets at fair value through other comprehensive income	13,084	753,627	5.26	753,627	
	Stock - Chunghwa Telecom	None	Financial assets at fair value through other comprehensive income	360	43,200	-	43,200	
	Shares -Taiwan Cement	None	Financial assets at fair value through other comprehensive income	1,044	36,387	0.01	36,387	
	Stock - Yuanta Financial	None	Financial assets at fair value through other comprehensive income	572	15,784	-	15,784	
	Stock - TXC	None	Financial assets at fair value through other comprehensive income	80	7,888	0.03	7,888	
	Stock - Nan Dee Precision	None	Financial assets at fair value through other comprehensive income	1	13	-	13	
	Stock - China Steel	None	Financial assets at fair value through other comprehensive income	600	16,200	-	16,200	
	Stock - Hong Chuan	None	Financial assets at fair value through other comprehensive income	202	25,242	0.07	25,242	
	Stock - CSRC	None	Financial assets at fair value through other comprehensive income	354	6,908	0.04	6,908	
	Stock - Sincere Navigation	None	Financial assets at fair value through other comprehensive income	190	4,805	0.03	4,805	
	Stocks - Fubon Financial Holding	None	Financial assets at fair value through other comprehensive income	509	33,015	-	33,015	
	Stocks - Yongyu	None	Financial assets at fair value through other comprehensive income	52	1,632	0.06	1,632	
	Stock -CSCC	None	Financial assets at fair value through other comprehensive income	100	11,850	0.04	11,850	
	Shares - Kaohsiung MRT	None	Financial assets at fair value through other comprehensive income	11,117	96,161	3.99	96,161	
	Shares - EnviroLink Corporation	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	2,333	40,103	16.67	40,103	
	Shares - EasyCard	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	3,828	13,791	3.36	13,791	

		Total			1,201,085		1,201,085	
	Bonds - Boeing Company	None	Financial assets at fair value through profit or loss	500	12,105	-	12,105	
	Bonds - Pfizer	None	Financial assets at fair value through profit or loss	200	5,891	-	5,891	
		Total			17,996		17,996	
Dong Nai Construction Co., Ltd.	Funds – Jih Sun Money	None	Financial assets at fair value through profit or loss	1,027	15,663	-	15,663	
Southeast Investment Co., Ltd	Shares - Cheng Tai Cement Factory	The chairman of the Company is also the chairman of the Company.	Financial assets at fair value through other comprehensive income	2,383	140,389	13.86	140,389	
	Shares - Taiwan Concrete	The chairman is an immediate relative within the second degree of kinship to the chairman of the Company.	Financial assets at fair value through other comprehensive income	1	41,508	4.21	41,508	
	Shares-Taiwan Implant Technology	None	Financial assets at fair value through other comprehensive income	815	4,886	4.14	4,886	
	Stock - Dushan Forest Development	None	Financial assets at fair value through other comprehensive income	3,840	33,928	8.00	33,928	
		Total			220,711		220,711	
	Funds-Cathay No. 2	None	Financial assets at fair value through profit or loss	500	8,215	-	8,215	
	Stocks - Fubon Financial Holding	None	Financial assets at fair value through profit or loss	146	9,430	-	9,430	
	Stock - Formosa Chemicals and Fibre	None	Financial assets at fair value through profit or loss	17	1,080	-	1,080	
	Stock - SECOM	None	Financial assets at fair value through profit or loss	292	34,202	0.06	34,202	
	Stocks-Taiwan Cement	None	Financial assets at fair value through profit or loss	2,926	101,975	0.04	101,975	
	Stock - CCH	None	Financial assets at fair value through profit or loss	30	1,745	0.01	1,745	
	Stocks - Mega Financial Holding	None	Financial assets at fair value through profit or loss	207	8,100	-	8,100	
		Total			164,747		164,747	
Southeast Paper Manufacturing Co., Ltd.	Stock-Southeast Cement	The parent company of this corporation	Financial assets at fair value through other comprehensive income	2,113	39,722	0.37	39,722	Note
Southeast Milo International Co., Ltd.	Funds - Fubon Chi-Hsiang Money	None	Financial assets at fair value through profit or loss	2,667	42,952	-	42,952	

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

Table 4

Southeast Cement Co., Ltd. and Subsidiaries
Disposal of individual real estate properties at prices of at least NTD 300 million or 20% of the paid-in capital
From January 1, 2023 to December 31, 2023

Unit: NTD 1,000

Disposal of the Company	Property Name	Trading day or the actual occurrence date	Original acquisition date	Book Value	Transaction amount	Situation of payment collection	Gain (Loss) on disposal of assets or disposal groups constituting discontinued operation	Counterparty	Relationship with the Company	Disposition Purpose	Reference Basis for Price Determination	Other Agreed Matters
Southeast Cement Corporation	Land, buildings, and equipment at No. 1081, Zhonglinzi Section, Xiaogang District, Kaohsiung City	August 31, 2023	2021.5.5	888,569	1,056,004 (Note)	Fully recovered	167,435	North Base International Corporation	—	The Company adjusts its operational strategy.	Refer to the real estate appraisal report.	None

(Note): It is the amount after necessary expenses are deducted from the contract price excluding tax.

Table 5

Southeast Cement Co., Ltd. and Subsidiaries
Statement of total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital.
From January 1, 2023 to December 31, 2023

Unit: NTD 1,000

Company involved in purchase and sales	Counterparty	Relation	Trading situation				The circumstances and reasons for the transaction conditions being different from general transactions.		Notes and accounts receivable (payable)		Remarks
			Purchase (Sales)	Amount	Proportion of purchases (sales)	Credit period	Unit price	Credit period	Balance	The ratio of total notes and accounts receivable (payable)	
Southeast Cement Corporation	Tiancheng Concrete Industry Co., Ltd.	Others related parties	Sales	159,772	7.91%	About 2-3 months	-	Equivalent	33,186	6.29%	
	Southeast Milo International Co., Ltd.	Subsidiary	Sales	115,911	5.74%	About 1 month	-	Equivalent	174,870	33.13%	

Note: The aforementioned parent-subsidary transactions have been offset.

Table 6

Southeast Cement Co., Ltd. and Subsidiaries
Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital
December 31, 2023

Unit: NTD 1,000

The Company that lists Receivables.	Name of the counterparty	Relation	Balance of receivables due from related parties	Turnover rate	Overdue receivables from related parties		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debt
					Amount	Processing Method		
Southeast Cement Corporation	Southeast Milo International Co., Ltd.	Subsidiary	174,870	(Note 2)	-	-	25,404	-

Note 1: As of March 14, 2024, the amount recovered.
Note 2:As it is an item for lease equalization, it is not applicable to the calculation of turnover rate.
Note 3:The aforementioned transactions between the parent and subsidiaries have been offset

Table 7

Southeast Cement Co., Ltd. and Subsidiaries
Business relationships and significant transactions between parent and subsidiaries
December 31, 2023

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

Unit: NTD 1,000

Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of total consolidated revenue or total assets (Note 3)
0	Southeast Cement Corporation	Southeast Topgood Resources Recycling Co., Ltd.	1	Sales revenue	97,137	Roughly equivalent to general customers, the average collection period is about 2-3 months.	4.27%
				Accounts receivable	38,554		0.33%
		Southeast Milo International Co., Ltd.	1	Sales revenue	115,911	Note 5	5.10%
				Accounts receivable	174,870		1.48%
1	Southeast Topgood Resources Recycling Co., Ltd.	Southeast Cement Corporation	2	Right-of-use assets	110,861	Note 6	0.94%
2	Southeast Milo International Co., Ltd.	Southeast Cement Corporation	2	Investment property, right-of-use assets	919,616	Note 5	7.78%
				Refundable Deposits	24,000		0.20%
3	Dong Nai Construction Co., Ltd.	Da Yang Construction Co., Ltd	3	Construction in progress	92,025	According to the pricing defined in the contract signed by both parties, the collection period is set according to the content of the contract.	0.78%

Note1: The information on business transactions between the parent company and its subsidiaries is indicated separately in the designated column, with the numbering method as follows:

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

Note2: There are three types of relationships with the transaction party, mark two types:

1. Parent company to subsidiaries.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note3: The calculation of the ratio of transaction turnover amount to total revenue and total assets in the consolidated financial statements is determined as follows: for items appearing on the balance sheet, it is calculated based on the year-end balance as a percentage of total assets in the consolidated financial statements; for items appearing on the income statement, it is calculated based on the cumulative amount as a percentage of total revenue in the consolidated financial statements.

Note4: The aforementioned transactions between the parent and subsidiaries have been offset.

Note5: The subsidiary leases land from the parent company for future mall operations. The contract restrictions and other important agreements are as follows:

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

Note6: The subsidiary leases land from the parent company for the construction of factories. The contract restrictions and other important agreements are as follows:

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

Table 8

Southeast Cement Co., Ltd. and Subsidiaries
Information on Reinvestment Business
December 31, 2023

Unit: Thousand shares; NTD 1,000

Name of investment company	Name of Investee Company	Location	Main business items	Original investment amount		Held at the end of the period			Net Income (Losses) of the Investee company	Investment income (loss) recognized	Remarks
				End of the period	the end of last year	Number of shares	ratio	Book Value			
Southeast Cement Corporation	Southeast Investments	Kaohsiung City	Securities investment	297,870	297,870	499	99.29	638,227	25,993	25,808	(Note)
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	11,361	11,361	36	31.01	74,349	4,934	1,530	
	Southeast Paper Manufacturing	Kaohsiung City	Cement Paper Bag	4,971	4,971	5	49.71	22,876	19	10	(Note)
	Nan Hsia Timber Co., Ltd.	Kaohsiung City	Wooden products	8,540	8,540	1	27.55	12,494	1,972	543	
	Dong Nai Construction Co., Ltd.	Kaohsiung City	Construction industry	790,000	790,000	79,000	100.00	782,584	(3,952)	(3,952)	(Note)
	Taiwan Machinery Shipyard Co., Ltd	Kaohsiung City	Engineering industry	328,492	328,492	25,611	31.01	324,489	(3,980)	(1,235)	
	Southeast Topgood Resources Recycling Co., Ltd.	Kaohsiung City	Waste Disposal Management	85,000	85,000	8,500	50.00	79,244	19,501	10,609	(Note)
	Southeast Milo International Co., Ltd.	Kaohsiung City	Real Estate Leasing Industry	50,000	50,000	5,000	50.00	10,847	(6,568)	(8,045)	(Note)
	Da Yang Construction	Kaohsiung City	Construction industry	120,300	100,300	11,000	100.00	118,123	5,269	(2,684)	(Note)
	Subtotal								2,063,233	43,188	22,584
	Less: Reclassification of mother company shares held by subsidiaries to treasury shares								(12,185)		
	Total								2,051,048	43,188	22,584
Southeast Investment Co., Ltd	Penghu Cable Television	Penghu County	Cable TV	51,093	51,093	8,000	40.00	122,850	28,655	11,462	
	Penghu Bay	Penghu County	Beach	60,347	60,347	1,663	38.68	16,665	139	54	
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	29,381	29,381	12	10.92	30,765	4,934	492	
	Taiwan Machinery Shipyard Co., Ltd.	Kaohsiung City	Engineering industry	5,826	5,826	454	0.55	5,973	(3,980)	5	
	Southeast Topgood	Kaohsiung City	Waste Disposal Management	1,700	1,700	170	1.00	1,568	19,501	195	(Note)
	Southeast Milo	Kaohsiung City	Real Estate Leasing Industry	1,000	1,000	100	1.00	192	(6,568)	(66)	(Note)
	Total								178,013	42,681	12,142

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

Table 9

Southeast Cement Co., Ltd. and its subsidiaries

Information on major shareholders

December 31, 2023

Name of major shareholders	Total shares owned	Shareholding Ratio
Dong Shu Investments Co., Ltd.	80,496,816	14.07%
Taiwan Machinery Shipyard Co., Ltd.	49,292,761	8.62%
Evergreen Corporation Limited	40,070,010	7.01%
Fokang Cultural and Education Foundation	38,829,350	6.79%
Bai Fu Investments Co., Ltd.	36,008,148	6.30%
Southeast Cultural Foundation, a Judicial Person	33,421,803	5.84%

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

XIV. Department Information

(I) General Information:

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

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

(II) Measurement basis:

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

(III) Segment Financial Information:
2023:

	Production Department	Construction sector	Engineering Department	Leasing Department	Adjustment and write-off	Total
Net revenues						
Revenues from external customers	\$ 2,120,395	\$ -	\$ -	\$ 153,123	\$ -	\$ 2,273,518
Interdepartmental Revenues	97,397	-	81,447	95,116	(273,960)	-
Total net revenue	<u>\$ 2,217,792</u>	<u>\$ -</u>	<u>\$ 81,447</u>	<u>\$ 248,239</u>	<u>\$ (273,960)</u>	<u>\$ 2,273,518</u>
Departmental profit	<u>\$ 89,920</u>	<u>\$ -</u>	<u>\$ 7,115</u>	<u>\$ 152,081</u>	<u>\$ (66,116)</u>	183,000
General operating expenses of the Company						(123,622)
Non-operating income and expenses						127,998
Profit before tax						<u>\$ 187,376</u>
Income tax benefit (expense)						(31,323)
Profit after tax						<u>\$ 156,053</u>
Segment Assets						<u>\$ 11,821,562</u>
Segment Liabilities						<u>\$ 2,796,324</u>

2022:

	Production Department	Construction sector	Engineering Department	Leasing Department	Adjustment and write-off	Total
Net revenues						
Revenues from external customers	\$ 1,746,242	\$ -	\$ 15,145	\$ 32,628	\$ -	\$ 1,794,015
Interdepartmental Revenues	52,782	-	23,489	68,717	(144,988)	-
Total net revenue	<u>\$ 1,799,024</u>	<u>\$ -</u>	<u>\$ 38,634</u>	<u>\$ 101,345</u>	<u>\$ (144,988)</u>	<u>\$ 1,794,015</u>
Departmental profit	<u>\$ 114,647</u>	<u>\$ -</u>	<u>\$ (202)</u>	<u>\$ 47,294</u>	<u>\$ (68,718)</u>	<u>93,021</u>
General operating expenses of the Company						(124,520)
Non-operating income and expenses						141,176
Profit before tax						<u>\$ 109,677</u>
Income tax benefit (expense)						(1,553)
Profit after tax						<u>\$ 108,124</u>
Segment Assets						<u>\$ 11,989,689</u>
Segment Liabilities						<u>\$ 3,263,021</u>

(IV) Information by product and service:

The Group has classified its operating segments based on the nature of the business, hence no further disclosure of information by product or service is provided.

1. Information by region:

(1) Revenue from external customers (classified based on the country where the customer is located):

Country	2023	2022
Taiwan	\$ 2,273,518	\$ 1,794,015

(2) Non-current assets:

Country	2023	2022
Taiwan	\$ 7,826,822	\$ 8,175,602

2. Important Customer Information:

Customer	2023	
	Amount	Percentage of net sales
Customer A from the Production Department	\$ 256,875	11.30%
Customer	2022	
	Amount	Percentage of net sales
Customer A from the Production Department	\$ 212,435	11.84%

V. The parent-company-only financial statement for the most recent fiscal year, certified by a CPA:

Independent Auditors' Report

To Southeast Cement Co., Ltd.

Audit Opinion

We have audited the balance sheets of Southeast Cement Co., Ltd. (hereinafter referred to as “the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the years ended December 31, 2023 and 2022, and notes to the parent-company-only financial statements, (including a summary of significant accounting policies).

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matters section), the aforementioned parent-company-only financial statements present fairly, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, adequately present the consolidated financial position of the Company as in 2023 and on December 31, 2022, and independent financial performance and independent cash flows from January 1 to December 31, 2022, and 2023, respectively.

Basis for Audit Opinion

The accountants perform audits in accordance with the rules governing accountants overseeing and certifying financial statements and auditing standards. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent-company-only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Certified Public Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. Predicated on this accountant’s audit results and those of other accountants, this accountant believes sufficiently sound and credible audit evidence has been duly elucidated as a competent basis for expressing this audit opinion.

Key Audit Items

Key Audit Items are those matters that, in accordance with our accountant's professional judgment, are of most significance in performing the fiscal year 2023 audit of the parent-company-only financial statements of the Company. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key Audit Items for the 2023 parent-company-only financial statements of the Company include:

1. Revenue Recognition

Please refer to Note IV(XVII) of the parent-company-only financial statements for accounting policies regarding revenue recognition; please refer to Note V(I)2. of the parent-company-only financial statements for significant accounting judgments, estimates, and assumptions related to revenue recognition. Please refer to Note VI(XXIX) of the parent-company-only financial statements for details on revenue recognition.

Explanation about Key Audit Items:

The Company mainly engages in the manufacturing and selling various cement-related products, its operations may be significantly impacted by factors such as raw material prices, market demand and supply, and economic conditions. Also, revenues from cement sales are only recognized when the customer withdraws the cement, fulfilling the performance obligation. Therefore, recognition of revenue from cement sales was identified as a key audit matter for the year ended 2023.

Audit Procedures Implementation:

This accountant primary audit procedures include understanding and testing design and effective implementation for internal controls regarding cement sales revenue, drawing samples from sales ledgers, verifying relevant transactional vouchers to verify revenue recognition authenticity, and obtaining subsequent sales details for review as for any significant sales returns and allowances, confirming whether any significant anomalies exist in revenue recognition and to perform cut-off tests for sales revenue.

Other Items

The portions of the parent-company-only financial statements for the years ended 31 December 2023 and 2022 that are accounted for using the equity method relate to investments in associates whose financial statements have not been audited by the company's auditors but rather by other auditors. Therefore, regarding the amounts presented in the financial statements of these investees, the auditor's opinion on the parent-company-only financial statements relies on the audit reports of these other auditors. As of 31 December 2023 and 2022, the amounts recognized for investments in associates using the equity method were NTD 434,208 thousand and NTD 426,836 thousand,

respectively, representing 3.95% and 3.71% of total assets. The share of income or loss from associates and joint ventures accounted for using the equity method for the years 2023 and 2022 were NTD 848 thousand and NTD (1,247) thousand, respectively, representing 0.47% and (0.83%) of profit before tax. The share of other comprehensive income or loss from associates and joint ventures accounted for using the equity method for the years 2023 and 2022 were NTD 6,419 thousand and NTD (866) thousand, respectively, representing 3.21% and 3.22% of other comprehensive income.

Responsibilities of Management and Those Charged with Governance for the Parent-company-only Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Management is also responsible for maintaining requisite internal controls regarding preparing the parent-company-only financial statements, ensuring the parent-company-only financial statements have no misrepresentations which might materialize from fraud or errors.

In preparing the parent-company-only financial statements, management is responsible for assessing the Company's ability to continue operating, disclosing appropriate matters, adopting a basis in accounting for continuing operations, unless management intends to liquidate the Company or cease operations, or there are no other feasible options other than such liquidation or winding up.

The Southeast Cement Co., Ltd. governance unit (including the Audit Committee) carries responsibility to supervise the financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements

This accountant's parent-company-only financial statements audit aims to elicit reasonable assurance as to whether the CFS in their entirety are free from any material misstatement, including any due to fraud or error, and to issue an audit report Opinion. Reasonable assurance refers to a high level in assurance, but due to the audit standards generally accepted in the Republic of China, auditing procedures wholly cannot guarantee detection of all parent-company-only financial statements' significant misrepresentations. Misrepresentation may arise from fraud or mere error. If individual or aggregated false expressions may reasonably be expected to adversely affect economic/financial decisions by parent-company-only financial statements' users, such misrepresentation is considered to bear significance.

In deploying auditing standards, this accountant conducts the audit using professional judgment and appropriate skepticism. The accountant also undertakes the following tasking:

1. Identifying and evaluating parent-company-only financial statements' significant misstatement risks due to fraud or error; designing and implementing appropriate responses for such risks; and obtaining sufficient and appropriate audit evidence as the basis for the audit report Opinion. In consequence of fraud potentially involving collusion, forgeries, deliberate omissions, false declarations, or breaching of internal controls, inherent risks for not detecting material misstatements resulting from fraud are higher than those resulting from errors.
2. Obtaining understanding for internal audit controls, necessary to designing audit procedure appropriate in the circumstances, but not for expressing any opinion on efficacy in the Company's internal controls.
3. Evaluating appropriateness of management accounting policies, and the reasonableness of accounting estimates and relevant disclosures. From audit evidence, conclusions are determined on management appropriateness for the going concern accounting basis, as well as any significant uncertainties as to events or situations raising substantial doubt about the Company's abilities for continuing as a going concern. If the accountant believes that there are significant uncertainties with these events or situations, it is required to remind the users of the parent-company-only financial statements to pay attention to the relevant disclosures in the parent-company-only financial statements in the audit report, or to modify the audit opinion when these disclosures are inappropriate. This accountant's conclusions are founded upon audit evidence obtained as of the audit report date. However, future events or circumstances may arise such that the Company no longer possesses the ability to continue operations.
4. Assessing the overall presentation, structure, and content (including relevant notes) of the parent-company-only financial statements, and whether the parent-company-only financial statements appropriately present the relevant transactions and events.
5. Obtaining sufficient and appropriate audit evidence for financial information pertaining to entities within the Company to express an opinion on the parent-company-only financial statements. The accountant is responsible for guidance, supervising, and implementing audits, and responsible for formulating the Audit Opinion for the Company.

Matters communicated with the (company's) governance unit by this accountant, including planned audit scope and timing, along with significant audit findings (including any significant deficiencies in internal controls identified during the audit process).

The accountant also provides the governance unit a statement from personnel subject to the independence standards of the firm to which the accountant belongs, declaring their adherence to provisions on independence in the professional ethical norms for accountants, and communicating with the governing unit all relationships and other matters (including any needed protective precautions) possibly deemed affecting the accountant's independence.

The auditor determined the key audit matters for the Company's 2023 parent-company-only financial statements from matters discussed with the governance unit. We discussed the matters in our audit report, and unless the laws and regulations precluded public disclosure about the matter or, in extremely rare circumstances, we determined that a matter should not be communicated in our

report due to adverse consequences reasonably expected to outweigh the public interest benefits of such communication.

Crowe Horwath United Certified Public

Accountant: Ching-Lin Li

Accountant: Ling-Wen Huang

Approval Document Number: FSC Securities Review No. 10200032833

March 14, 2024

Southeast Cement Co., Ltd

Balance Sheet

December 31st, 2022 and 2023

Unit: NTD 1,000

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and Cash Equivalents (Note VI (I))	\$ 94,785	1	\$ 121,474	1
1110	Current financial assets at fair value through profit or loss (Note VI(II))	17,996	-	30,032	-
1150	Notes receivable, net (Note VI(III), VII)	233,236	2	211,718	2
1170	Accounts receivable, net (Note VI(IV))	38,689	-	43,576	-
1180	Accounts receivable due from related entities, net (Note VII)	255,646	2	116,585	1
1200	Other Receivables (Note VI(V))	807	-	32,608	-
1220	Current tax assets	635	-	352	-
130x	Current inventories (Note VI (VI))	389,141	4	532,811	5
1410	Prepayments (Note VI (VII))	9,231	-	14,534	-
1476	Other current financial assets (Note VI (IX))	64,629	1	164,540	1
11xx	Total current assets	1,104,795	10	1,268,230	10
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note VI(X))	1,201,085	11	1,018,400	9
1550	Investments accounted for using equity method (Note VI(XI))	2,051,048	19	1,997,982	17
1600	Property, plant and equipment (Note V(XII))	432,542	4	1,237,416	11
1755	Right-of-use assets (Note VI(XIII))	362,839	3	464,861	4
1760	Investment property, net (Note VI(XIV))	5,778,667	53	5,439,125	48
1840	Deferred tax assets (Note VI(XXXV))	48,306	-	72,134	1
1920	Refundable Deposits (Note VI(XV))	18,130	-	14,834	-
15xx	Total non-current assets	9,892,617	90	10,244,752	90
1xxx	Total assets	\$ 10,997,412	100	\$ 11,512,982	100

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Code	Liabilities and equities	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term loans (Note VI(XVI))	\$ 898,000	9	\$ 1,530,000	13
2110	Short-term notes payable (Note VI(XVII))	99,957	1	259,968	2
2130	Contract liabilities - Current (Note VI(XVIII))	45,486	-	18,870	-
2170	Accounts payable	199,371	2	212,855	2
2200	Other payables (Note VI(XIX))	109,581	1	61,796	1
2230	Current tax liabilities	39,121	-	-	-
2250	Provisions - Current (Note VI(XX))	1,769	-	1,441	-
2280	Lease liabilities - Current (Note VI(XIII))	30,038	-	60,297	1
2300	Other current liabilities	837	-	1,383	-
21xx	Total current liabilities	1,424,160	13	2,146,610	19
	Non-current liabilities				
2570	Deferred income tax liabilities (Note VI(XXXV))	245,740	2	278,000	2
2580	Lease liabilities - Non-Current (Note VI(XIII))	363,571	4	420,838	3
2645	Deposits received (Note VI(XXII))	40,331	-	35,828	-
25xx	Total non-current liabilities	649,642	6	734,666	5
2xxx	Total liabilities	2,073,802	19	2,881,276	24
	Equity				
3100	Share Capital (Note VI(XXIII))				
3110	Ordinary share(s)	5,720,008	52	5,720,008	50
3200	Capital surplus (Note VI(XXIV))	188,688	2	188,583	2
3300	Retained earnings				
3310	Legal reserve	1,084,664	10	1,069,712	9
3320	Special reserve (Note VI(XXVI))	810,918	7	810,918	7
3350	Unappropriated retained earnings (Note VI(XXV))	407,894	4	330,721	3
3400	Other equity (Note VI(XXVII))	723,623	6	523,949	5
3500	Treasury Stocks (Note VI(XXVIII))	(12,185)	-	(12,185)	-
3xxx	Total equity	8,923,610	81	8,631,706	76
	Total liabilities and equity	\$ 10,997,412	100	\$ 11,512,982	100

(Please refer to the notes to the parent-company-only financial statements)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd
Statements of Comprehensive Income
For January 1st to December 31st, 2022 and 2023, respectively.

Unit: NTD 1,000

Code	Item(s)	2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note VI(XXIX))	\$ 2,018,776	100	\$ 1,701,471	100
5000	Operating costs (Note VI(VI))	(1,854,433)	(92)	(1,535,269)	(90)
5900	Gross profit (loss) from operations	164,343	8	166,202	10
	Operating expenses				
6100	Sales (marketing) expenses	(14,689)	(1)	(12,809)	(1)
6200	Administrative expenses	(93,799)	(4)	(102,034)	(6)
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9 (Expenses) (Note VI(IV))	3,265	-	339	-
6000	Total operating expenses	(105,223)	(5)	(114,504)	(7)
6900	Net operating income (loss)	59,120	3	51,698	3
	Non-operating income and expenses				
7100	Interest revenue (Note VI(XXXI))	4,076	-	3,988	-
7010	Other income (Note VI(XXXII))	68,436	3	176,735	10
7020	Other gains and losses (Note VI(XXXIII))	51,567	3	(3,592)	-
7050	Financing costs (Note VI(XXXIV))	(25,586)	(1)	(15,143)	-
7070	The share of profit or loss from subsidiaries, associates, and joint ventures accounted for using the equity method	22,584	1	(63,391)	(4)
7000	Total non-operating income and expenses	121,077	6	98,597	6
7900	Profit (loss) before tax	180,197	9	150,295	9
7950	Tax income (expense) (Note VI(XXXV))	(30,675)	(2)	(1,252)	-
8200	Profit (loss)	149,522	7	149,043	9
	Other comprehensive income (Note VI(XXXVI))				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	189,100	9	(19,824)	(1)
8330	Share of Other Comprehensive Income of subsidiaries, associates, and joint ventures accounted for using the equity method	10,377	1	(7,048)	-
8300	Other comprehensive income, net	199,477	10	(26,872)	(1)
8500	Total comprehensive income	\$ 348,999	17	\$ 122,171	8
	Earnings per share				
9750	Basic earnings per share (Note VI(XXXVII))	\$ 0.26		\$ 0.26	
9850	Diluted earnings per share (Note VI(XXXVII))	\$ 0.26		\$ 0.26	

(Please refer to the notes to the parent-company-only financial statements)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd
Statements of Changes in Equity
For January 1st to December 31st, 2022 and 2023, respectively.

Unit: NTD 1,000

	<u>Retained earnings</u>					<u>Total other equity interest</u>		
	<u>Ordinary</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserves</u>	<u>Unappropriated</u>	<u>Unrealized evaluation gains</u>	<u>Treasury shares</u>	<u>Total equity</u>
	<u>share(s)</u>				<u>retained earnings</u>	<u>(losses) on financial assets</u>		
						<u>measured at fair value</u>		
						<u>through other comprehensive</u>		
						<u>income</u>		
Balance as of January 1, 2022	\$ 5,720,008	\$ 188,373	\$ 1,055,689	\$ 810,918	\$ 309,626	\$ 551,296	\$ (12,185)	\$ 8,623,725
Appropriation and distribution of retained earnings:								
Legal reserves appropriated	-	-	14,023	-	(14,023)	-	-	-
Cash dividends of ordinary share(s)	-	-	-	-	(114,400)	-	-	(114,400)
Net profit (net loss) for 2022	-	-	-	-	149,043	-	-	149,043
2022 other comprehensive income	-	-	-	-	-	(26,872)	-	(26,872)
Total comprehensive income, net of tax for the year 2022	-	-	-	-	149,043	(26,872)	-	122,171
Adjustments of capital surplus for company's cash dividends received by subsidiaries		210	-	-	-	-	-	210
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	475	(475)	-	-
Balance as of December 31, 2022	5,720,008	188,583	1,069,712	810,918	330,721	523,949	(12,185)	8,631,706
Appropriation and distribution of retained earnings:								
Legal reserves appropriated	-	-	14,952	-	(14,952)	-	-	-
Cash dividends of ordinary share(s)	-	-	-	-	(57,200)	-	-	(57,200)
Net profit (net loss) for the year 2023	-	-	-	-	149,522	-	-	149,522
2023 Other comprehensive income	-	-	-	-	-	199,477	-	199,477
Total comprehensive income for 2023	-	-	-	-	149,522	199,477	-	348,999
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	105	-	-	-	-	-	105
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(197)	197	-	-
Balance as of December 31, 2023	\$ 5,720,008	\$ 188,688	\$ 1,084,664	\$ 810,918	\$ 407,894	\$ 723,623	\$ (12,185)	\$ 8,923,610

(Please refer to the notes to the parent-company-only financial statements)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd

Statements of Cash Flows

For January 1st to December 31st, 2022 and 2023, respectively.

Unit: NTD 1,000

Item(s)	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flows from (used in) operating activities		
Profit (loss) before tax for the period	\$ 180,197	\$ 150,295
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	75,782	82,488
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 amount(s)	(3,265)	(339)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(1,291)	5,305
Interest expense	25,586	15,143
Interest income	(4,076)	(3,988)
Dividend income	(51,674)	(48,527)
The share of profit or loss from subsidiaries, associates, and joint ventures accounted for using the equity method.	(22,584)	63,391
Loss (gain) on disposal of property, plants and equipment	(3,488)	-
Property, plants and equipment transferred to expenses	617	-
Loss (gain) on disposal of non-current assets classified as held for sale	(167,435)	-
Impairment loss on financial assets	-	702
Profit from lease modification	(946)	-
Impairment loss on non-financial assets	50,002	6,974
Total adjustments to reconcile profit (loss)	(102,772)	121,149
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	13,327	23,093
Decrease (increase) in notes receivable	(19,134)	(19,390)
Decrease (increase) in accounts receivable	(133,293)	(44,194)
Decrease (increase) in other receivable	30,317	(30,574)
Decrease (increase) in inventories	140,975	(29,499)
Decrease (increase) in other prepayments	5,303	7,828
Decrease (increase) in other financial assets	99,911	(2,915)
Total changes in operating assets	137,406	(95,651)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	26,616	(11,662)
Increase (decrease) in accounts payable	(13,484)	52,184
Other payables (decrease) increase	48,154	2,745
Increase (decrease) in provisions	328	(131)
Adjustments for increase (decrease) in other current liabilities	(546)	487
Total changes in operating liabilities	61,068	43,623
Total changes in operating assets and liabilities	198,474	(52,028)

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Item(s)	January 1 to December 31, 2023	January 1 to December 31, 2022
Total adjustments	\$ 95,702	\$ 69,121
Cash generated from operations	275,899	219,416
Interest received	4,411	4,086
Dividends received	51,674	88,934
Interest paid	(25,966)	(14,375)
Income taxes refund (paid)	(269)	1,194
Net cash flows from (used in) operating activities	305,749	299,255
Cash flows from (used in) investing activities		
Proceeds from disposal of financial assets at fair value through other comprehensive income	6,159	542
Acquisition of investments accounted for using the equity method	(20,000)	(650,300)
Proceeds from disposal of non-current assets classified as held for sale	1,056,004	-
Acquisition of property, plants and equipment	(195,279)	(125,522)
Proceeds from disposal of property, plants and equipment	5,500	-
Increase in refundable deposits	(3,296)	(5,625)
Other receivables due from related parties increase	-	30,000
Acquisition of investment properties	(291,727)	(114,286)
Decrease in long-term lease and instalment receivables	1,415	1,400
Net cash flows from (used in) investing activities	558,776	(863,791)
Cash flows from (used in) financing activities		
Increase in short-term loans	-	290,000
Decrease in short-term loans	(632,000)	-
Increase in short-term notes and bills payable	-	220,000
Decrease in short-term notes and bills payable	(160,000)	-
Increase in guarantee deposits received	4,503	11,871
Payments of lease liabilities	(46,517)	(56,170)
Cash dividends paid	(57,200)	(114,400)
Net cash flows from (used in) financing activities	(891,214)	351,301
Decrease in cash and cash equivalents	(26,689)	(213,235)
Cash and cash equivalents at beginning of period	121,474	334,709
Cash and cash equivalents at end of period	\$ 94,785	\$ 121,474

(Please refer to the notes to the parent-company-only financial statements)

Chairman: Min-Tuan Chen

Manager: Yen-Hui Wu

Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd

Notes to the parent-company-only financial statements

For January 1st to December 31st, 2022 and 2023, respectively.

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

I. Company History

Southeast Cement Co., Ltd. (hereinafter referred to as the Company) was established in December 1956, primarily engaged in the manufacturing and sale of cement, slag powder, cement processed products, and ready-mixed concrete.

The parent-company-only financial statements are expressed in the functional currency of the Company, which is the New Taiwan Dollar (NTD).

II. The Authorization of Financial Statements

The financial statements were announced after getting the approval of the Board of Directors on March 14, 2024.

III. Application of New and Revised Standards and Interpretations

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

The table below lists the new releases, amendments, and revisions of the International Financial Reporting Standards accepted by the Taiwan Financial Supervisory Commission for use in 2023:

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendment to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 3)
Amendments to IAS 12 "International Tax Changes - Pillar Two Blueprint"	(Note 4)

- (Note 1)** The amendment applies to annual reporting periods beginning after January 1, 2023.
- (Note 2)** The amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.
- (Note 3)** Except for additional provisions related to temporary differences associated with leases and decommissioning obligations, this amendment applies to transactions occurring after the start date of the earliest comparison period expressed (January 1, 2022).
- (Note 4)** Regarding the temporary exception provision of IAS 12 (i.e., enterprises shall not recognize deferred tax assets and liabilities related to Pillar 2 income tax, nor disclose its related information; however, enterprises should disclose in the financial statements that they have applied this exception provision), it should be retrospectively applied according to IAS 8 immediately after this amendment is issued (May 23, 2023). The other disclosure regulations apply to the fiscal reporting periods commencing after January 1, 2023; interim reports ending before December 31, 2023 are not required to disclose such Other Information.

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

This amendment clarifies that when the scale or nature of a transaction, other matters or situations is significant, and the related accounting policy information is also significant for the financial statements, said related significant accounting policy information should be disclosed. On the contrary, if a company determines that the scale or nature of a transaction, other matters or situations is not significant or, although significant, the information on the related accounting policies is not significant, it is not necessary to disclose such insignificant accounting policy information. However, the company's conclusion that the accounting policy information is insignificant does not affect the related disclosure prescribed by other IFRS standards.

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

This amendment defines accounting estimates as monetary amounts in the financial statements affected by measurement uncertainty, providing additional explanation that, apart from corrections of prior period errors, changes in inputs or measurement techniques that affect accounting estimates are considered changes in accounting estimates.

3. Amendment to IAS 12 "Deferred tax related to assets and liabilities arising from a single transaction"

This amendment narrows the scope of recognition exemptions for Deferred tax liabilities and Assets in paragraphs 15 and 24 of IAS 12. If the amounts of taxable temporary difference and deductible temporary difference generated at the original recognition of a single transaction are the same, the aforementioned exemption provision is not applicable. Upon first application of this amendment, the enterprise should recognize deferred income taxes for all temporary differences related to lease and decommissioning obligations starting from the earliest comparative period presented (January 1, 2022), and on that date, recognize the accumulated effects as an adjustment to the opening balance of Retained earnings (or other components of Equity, as appropriate). Transactions occurring after January 1, 2022, should defer the application of this amendment.

4. Amendment to IAS 12 "International Tax Reforms - Pillar Two Framework"

This amendment stipulates that as a temporary exception to IAS 12, enterprises shall not recognize deferred tax assets and liabilities related to Pillar Two income tax under international tax reform(s), nor shall they disclose related information. However, enterprises are required to disclose in the financial statements that they have applied this exception. In addition, companies should separately disclose current tax expense (income) related to Pillar Two income tax. If Pillar Two legislation has been enacted or substantively enacted but has not yet come into effect, businesses should disclose known or reasonably estimable qualitative and quantitative information about their exposure to Pillar Two income tax.

(II) The Company has assessed that the above standards and interpretations do not have a material impact on the Company's financial position and financial performance. The

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

The table below summarizes the newly issued, amended, and revised standards and interpretations of the International Financial Reporting Standards approved by the Taiwan Financial Supervisory Commission for 2024:

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
"Lease liabilities in Sale and leaseback under the amendment of IFRS 16"	January 1, 2024 (Note 1)
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendment to IAS 1 "Non-current liabilities with contractual clauses"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024 (Note 2)

(Note 1) The seller and lessee should retrospectively apply the contents of this amendment in accordance with IAS 8 for sale and leaseback transactions concluded after the date of initial application of IFRS 16.

(Note 2) This amendment provides certain transitional relief provisions. At the time of first application, the enterprise does not need to disclose comparative information and interim period information, as well as the initial information stipulated in section 44H(b)(ii)-(iii).

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

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

usufruct right of use. The difference between the actual amount of lease payments and decrease in the book value of lease liabilities is recognized as profit or loss.

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

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

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

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

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

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

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

The Company has assessed that the above standards and interpretations do not have a material impact on the Company's financial position and financial performance.

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

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

Newly Issued/Amended/Revised Standards and Interpretations	Effective date issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Related Entities or Joint Venture"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Exchangeability"	January 1, 2025

As of the date of issuance of these parent-company-only financial statements, the Company continues to assess the impact of the aforementioned standards and

interpretations on the Company's financial position and performance. Relevant effects will be disclosed upon completion of the assessment.

IV. Summary of Significant Accounting Policies

The main accounting policies adopted in the preparation of these parent-company-only financial statements are outlined as follows. Unless otherwise stated, these policies are consistently applied throughout all reporting periods.

(I) Compliance Statement

The parent-company-only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

1. Except for the following significant items, the parent-company-only financial statements are prepared on a historical cost basis:
 - (1) Financial assets and liabilities at fair value through profit or loss (including derivatives) measured at fair value.
 - (2) Financial assets and liabilities measured at fair value through other comprehensive income.
 - (3) Liabilities of cash-settled share-based payment agreements measured at fair value.
2. The preparation of the parent-company-only financial statements in accordance with the approved IFRSs recognized by the Financial Supervisory Commission requires the use of significant accounting estimates. In the application of the Company's accounting policies, management also exercises judgment, particularly in matters involving high degrees of judgment or complexity, or significant assumptions and estimates in the parent-company-only financial statements, as detailed in Note V.
3. The Company accounts for investments in subsidiaries, associates, or joint ventures using the equity method in the preparation of the parent-company-only financial statements. In order to align the profit or loss, other comprehensive income, and equity of the current year in the parent-company-only financial

statements with those attributable to the owners of the Company in the consolidated financial statements, adjustments are made for certain accounting differences between the individual basis and the consolidated basis. These adjustments pertain to "Investments accounted for using the equity method," "Share of profit or loss from investments accounted for using the equity method," "Share of other comprehensive income from investments accounted for using the equity method," and related equity items.

(III) Foreign Currency Translation

1. Foreign Currency Transactions and Balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction date or measurement date. Any resulting exchange differences are recognized in the current period's profit or loss.
- (2) Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date, with any resulting exchange differences recognized in the current period's profit or loss.
- (3) Non-monetary items denominated in foreign currencies measured at fair value are translated at the exchange rates prevailing on the date of determination of fair value, with any resulting exchange differences recognized in the current period's profit or loss. However, if such exchange differences relate to items recognized in other comprehensive income due to fair value changes, they are recognized in other comprehensive income. Foreign currency non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated.

(IV) The standards for distinguishing current and non-current between 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 or intended to be sold or consumed within the normal operating cycle.
- B. Primarily held for trading purposes.
- C. Expected to be realized within twelve months after the date of the statement of financial position.
- D. Excluding cash or cash equivalents that are to be exchanged or used to settle liabilities or are subject to other restrictions more than twelve months after the balance sheet date.

The Company classifies all assets that do not meet the above criteria as non-current.

(2) Liabilities are classified as current liabilities if they meet either of the following conditions:

- A. Expected to be settled within the normal operating cycle.
- B. Primarily held for trading purposes.
- C. Those have to be settled within twelve months after the statement of financial position date. (Even if long-term refinancing or repayment arrangements have been completed after the balance sheet date and before the approval of the financial statements, it is still classified as Current liabilities)
- D. Those for which they cannot unconditionally extend the repayment period to at least twelve months after the balance sheet date. The terms of liabilities may lead to settlement by issuing equity instruments at the option of the counterparty, which does not affect their classification.

The Company classifies all liabilities that do not meet the above criteria as non-current.

2. Construction Department:

For externally contracted construction projects and the sale of constructed houses, the operating cycle typically exceeds one year. Therefore, assets and liabilities related to construction business are classified as current or non-current based on the operating cycle.

(V) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in banks, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including time deposits with original maturities of three months or less).

(VI) Financial Instruments

Financial assets and financial liabilities should be recognized when the Company becomes a party to the contractual terms of the financial instrument.

Financial assets and financial liabilities are measured at fair value upon initial recognition. At the time of initial recognition, the transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (except for Financial assets and Financial liabilities at fair value through profit or loss) should be added to or subtracted from the fair value of the financial asset or liability. Immediately recognize as gains or losses, those transaction costs directly attributable to financial assets and financial liabilities at fair value through profit or loss.

1. Financial assets

Financial assets' customary transactions are accounted for on the trade date.

(1) Measurement type

The types of financial assets held by the Company include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and equity instrument investments measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss, mandatorily measured at fair value and financial assets designated at fair value through profit or loss. Financial assets measured at fair value through profit or loss include equity instrument investments not designated as at fair value through other comprehensive income, as well as financial assets that do not qualify for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. Dividends from these assets are recognized in other incomes, while interest income and gains or losses from remeasurement are recognized in other gains and losses. The determination of fair value is referred to in Note XII.

B. Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Company has the irrevocable option to designate equity instrument investments that are neither held for trading nor acquired in a business combination at fair value through profit or loss as measured at fair value through other comprehensive income.

Investments in equity instruments designated at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value recognized in other comprehensive income and accumulated in other equity interest. When disposing of

investments, accumulated gains or losses are directly transferred to retained earnings and are not reclassified as income.

Dividends on equity instrument investments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the investment cost.

C. Financial assets at amortized cost

Financial assets are classified as measured at amortized cost if they simultaneously meet the following two conditions:

- (A) Held under a business model with the objective of holding financial assets in order to receive contractual cash flows; and
- (B) Contractual terms generating cash flows on a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost, after original recognition, are measured at the ledger amount determined by the effective interest method, less any impairment losses. Any foreign exchange gains (losses) are recognized in profit or loss.

Except for the following two situations, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

- (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 assets.
- (B) Interest income is calculated using the effective interest rate on the amortized cost of the financial assets for financial

assets that were not credit-impaired upon initial recognition or purchase but have subsequently become credit-impaired.

(2) Impairment on financial assets

A. The Company assesses expected credit losses on financial assets measured at amortized cost (including accounts receivable), debt instrument investments measured at fair value through other comprehensive income, lease receivables, and impairment losses on contract assets on each balance sheet date.

B. Both accounts receivable and lease payments receivable are recognized for allowance for uncollectible accounts based on the expected credit loss over the lifetime. Other financial assets are initially assessed for a significant increase in credit risk after initial recognition. If there is no significant increase, the loss allowance is measured at the expected credit losses for 12 months. If there has been a significant increase, the loss allowance is measured at the expected credit losses over the term.

C. Expected credit losses are calculated as the weighted average credit losses, with the risk of default used as the weight. While the lifetime expected credit losses represent the expected credit losses from all possible defaults during the expected life of a financial instrument, the 12-month expected credit losses represent the expected credit losses from possible defaults on a financial instrument within 12 months after the reporting date.

D. Impairment losses on all financial assets are recognized by reducing their carrying amounts through an allowance account, except for impairment losses on debt instrument investments measured at fair value through other comprehensive income, which are recognized in other comprehensive income and do not reduce their carrying amounts.

(3) Derecognition of financial assets

The Company derecognizes financial assets when one of the following conditions is met:

- A. Expiration of the right to cash flows from a financial asset contract.
- B. The contractual right to receive the cash flows of the financial asset has been transferred and almost all risks and rewards of ownership of the financial asset have been transferred.
- C. Neither transferred nor retained substantially all risks and rewards of ownership of the financial assets, yet did not retain control over the financial assets.

When financial assets at amortized cost are derecognised in their entirety, the difference between their carrying amount and the consideration received is recognized in profit or loss. The difference between their carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive income is recognized in profit or loss, when investments in debt instruments designated at fair value through other comprehensive income are derecognised in their entirety. The cumulative gains or losses are directly transferred to retained earnings, and are not reclassified to profit or loss, when investments in equity instruments designated at fair value through other comprehensive income are completely derecognised.

2. Equity instruments

The 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. Equity instruments refer to any contract that recognizes the residual equity in an enterprise after deducting all its liabilities from its assets. Equity instruments issued by the Company are recognized at the amount of proceeds received, net of directly attributable issuance costs.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities that are not held for trading purposes and have not been designated at fair value through profit or loss are measured at amortized cost at the end of subsequent accounting periods.

(2) Derecognition of financial liabilities

The Company only derecognizes financial liabilities when the obligation is relieved, canceled, or expired. When derecognizing financial liabilities, any difference between the book value and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4. Modification of financial instruments

When the contractual cash flows of a financial instrument are renegotiated or modified without resulting in derecognition of the financial instrument, the Company recalculates the total carrying amount of financial assets or the amortized cost of financial liabilities using the modified contractual cash flows discounted at the original effective interest rate. Any modification, gains or losses are recognized in profit or loss, and any costs or fees incurred are treated as adjustments to the carrying amount of the modified financial instrument, amortized over the remaining term after the modification. If the renegotiation or modification leads to the derecognition of the financial instrument, it shall be handled according to the derecognition provisions.

(VII) Current inventories

1. Manufacturing Department:

Current inventories are measured on the basis of the lower of cost and net realizable value, adopting the perpetual inventory system, with cost determined by the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated based on normal capacity), but excludes borrowing costs. When comparing the cost with the net realizable

value, the lower of the two is applied using the item-by-item comparison method. The net realizable value refers to the estimated selling price in the ordinary course of business, less the estimated costs to complete and the estimated costs necessary to make the sale, after completion.

2. Construction Division:

Current inventories are measured at the lower cost and net realisable value. Costs include the necessary expenses incurred to make it available for use and the capitalization of borrowing costs.

Net realisable value refers to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The determination method of net realizable value is as follows:

- (1) Land construction: The net realizable value is calculated based on either the selling price in the current market, as determined by management, less the estimated costs to complete and the selling expenses, or based on the most recent market value (using development analysis method or comparison method).
- (2) Construction in progress: The net realizable value is based on the estimated selling price (current market conditions) less the estimated costs to complete and the selling expenses.
- (3) Buildings and land held for sale: The net realizable value is the estimated selling price (referenced to the estimate by the management according to the market conditions at that time) minus the estimated costs and selling expenses generated when selling the property.

(VIII) Investments accounted for using equity method - Subsidiaries and Associates

1. Subsidiaries refer to entities (including structured entities) over which the Company has control, where the Company is exposed to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

2. Unrealized gains and losses on transactions between the Company and its subsidiaries are eliminated. The accounting policies of subsidiaries are adjusted as necessary to conform to those of the Company.
3. The Company recognizes its share of profit or loss from subsidiaries acquired after their acquisition date in the current period's profit or loss, while its share of other comprehensive income is recognized in other comprehensive income. If the Company's share of losses recognized for a subsidiary equal or exceeds its interest in the subsidiary's equity, the Company continues to recognize losses in proportion to its ownership interest.
4. Associates refer to entities over which the Company has significant influence but not control, typically by holding more than 20% of the voting rights. The Company accounts for investments in associates using the equity method and initially recognizes them at cost.
5. The Company recognizes its share of profit or loss from associates acquired after their acquisition date in the current period's profit or loss, while its share of other comprehensive income is recognized in other comprehensive income. If the Company's share of losses recognized for an associate equal or exceeds its interest in the associate's equity, the Company does not recognize further losses unless it has incurred legal or constructive obligations or has paid on behalf of the associate.
6. Unrealized gains or losses on transactions between the Company and its associates are eliminated based on the Company's proportionate interest, unless evidence indicates impairment of the transferred assets. The accounting policies of associates are adjusted as necessary to conform to those of the Company.
7. Upon disposal of an associate where significant influence is lost, any amounts previously recognized in other comprehensive income related to that associate are reclassified to profit or loss in a manner consistent with the disposal of the associate's assets or liabilities, i.e., any previously recognized gains or losses in other comprehensive income are reclassified to profit or loss upon disposal of the relevant assets or liabilities, if significant influence over the associate is lost.

If it still has significant influence over the Related Entities, the amount previously recognized in other comprehensive income is only proportionately transferred out in the above manner.

8. In accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," the current period's profit or loss and other comprehensive income in the parent-company-only financial statements should be the same as the amounts attributable to the owners of the parent company in the consolidated financial statements prepared on a consolidated basis. The owner's equity in the parent-company-only financial statements should be the same as the equity attributable to the owners of the parent company in the consolidated financial statements.

(IX) Property, plants and equipment

1. Property, plant, and equipment are recorded at cost and include capitalized interest during the construction or acquisition period. Property, plants and equipment under construction are measured at lower cost and net realizable value before they reach their intended use status. The sales proceeds and costs generated during the test for the normal operation of these assets are recognized in profit or loss.
2. Subsequent costs are included in the carrying amount of the assets or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the part that has been reset should be derecognized. All other maintenance expenses are recognized as current period profit and loss when incurred.
3. Depreciation is not provided for Land. Other property, plants and equipment are measured at cost, with depreciations provided on a straight-line basis over their estimated useful lives. The company reviews the residual value, useful life, and depreciation method of each asset at the end of each fiscal year. If the expected value of the residual value and the useful life is different from the previous estimate, or the expected consumption pattern of future economic benefits

contained in the assets has undergone significant changes, it will be handled in accordance with the changes in accounting estimates stipulated in International Accounting Standard 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The useful life of various assets is as follows:

Buildings

Factory buildings	20 years to 50 years
Electromechanical equipment	5 years to 10 years
Other facilities	15 years
Machinery and equipment	1 years to 15 years
Transportation equipment	3 years to 6 years
Miscellaneous equipment	1 years to 15 years

4. Property, plants and equipment are derecognized when disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss generated by the disposal of property, plants and equipment is the difference between the net disposal proceeds and the book value of the asset, and is recognized in current profits and losses.

(X) Leases

The Company assesses whether a contract is, or contains, a lease at the inception date of the contract. For contracts containing lease and non-lease components, the Company allocates consideration to each lease component based on its relative standalone price and to non-lease components based on the aggregate standalone price.

1. As a lessee

Apart from leases of low-value assets and short-term leases recognized on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities on the lease commencement date for all other leases.

Right-of-use assets

The original cost of Right-of-use assets (including the initial measurement amount of Lease liabilities, lease payments made before the lease commencement date less received lease incentives, initial direct costs and

estimated costs to restore the underlying assets) is measured at cost and subsequently measured at the cost less accumulated depreciation(s) and accumulated Impairment losses, and adjustments are made for the re-measurement amount of Lease liabilities.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease until the earlier of the end of the useful life of the asset or the lease term. However, if the ownership of the underlying asset will be transferred at the end of the lease term, or if the cost of the right-of-use assets reflects the exercise of a purchase option, depreciation is provided from the commencement date of the lease until the end of the useful life of the underlying assets.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments, which include fixed payments, substantially fixed payments, lease payments that vary based on an index or rate, and the like. If the implicit interest rate of the lease is easy to determine, the lease payments are discounted using that rate. If the interest rate is not easily determinable, then the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and the interest expense is allocated over the lease term. If changes in lease term, assessment of purchase options for the underlying asset, expected payments under residual value guarantees, or changes in indices or rates used to determine lease payments result in changes in future lease payments, the Company reassesses the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, any remaining revaluation amount is recognized in profit or loss. Lease liabilities are presented as a single line item on the individual balance sheet.

2. As a lessor

When subleasing right-of-use assets, the Company classifies the sublease based on the right-of-use asset (rather than the underlying asset). However, if the head lease qualifies for the short-term lease exemption applicable to the Company, the sublease classification is classified as an operating lease.

If the lease transfers substantially all the risks and rewards incidental to ownership of an asset, it is classified as a finance lease; otherwise, it is classified as an operating lease.

In finance leases, lease payments include fixed payments, substantially fixed payments, variable lease payments that depend on an index or rate, guaranteed residual value, the exercise price of a purchase option that is reasonably certain to be exercised, and the penalty for terminating the lease that has been reflected in the lease term, less any lease incentives to be paid. The net amount of lease investments is the sum of the present values of lease payments and unguaranteed residual values, and is represented as finance lease receivable. The Company systematically and rationally amortizes finance income over the lease term based on the net investment in the lease, to reflect the fixed rate of return on the Company's outstanding lease receivables over each period.

Under operating leases, lease payments, less any lease incentives, are recognized on a straight-line basis as lease revenues. The original direct costs incurred due to the acquisition of an operating lease are added to the book value of the target assets, and are recognized as expenses over the lease period on the same basis as the recognition of lease income.

(XI) Investment property

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

Investment property is initially measured at cost (including transaction costs), and subsequently measured at cost less accumulated depreciation and accumulated

impairment losses. The Company adopts the straight-line method to depreciate its assets.

Investment property under construction is recognized at its cost less accumulated impairment losses, which includes professional service fees and borrowing costs that meet capitalization conditions. Depreciation of these assets begins when they reach their expected condition for use.

The gain or loss arising from the derecognition of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognized in the current profit or loss.

(XII) Impairment on non-financial assets

As of the balance sheet date, the Company assesses the recoverable amount of assets indicating impairment. When the recoverable amount is less than the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the circumstances leading to the impairment loss on assets recognized in previous years no longer exist, the loss amount set aside in previous years can be reversed within the scope of that amount.

(XIII) Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The measurement of Provisions is based on the present value of the best estimate of the Expenses required to settle the obligation as of the date of the statement of financial position. The discount rate used reflects the current market assessment of the time value of money and the risks specific to the Liabilities before tax. The Amortization of the discount is recognized as Interest expense. Provisions cannot be recognized for future operation(al) losses.

(XIV) Employee benefits/welfare

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of cash expected to be paid, and expenses are recognized when the related services are provided.

2. Pension expense

Defined contribution plan

For a defined contribution plan, the amount of pension funds to be contributed is recognized as the current pension expense based on the accrual basis. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

3. Compensation for employees and directors and supervisors

Employee compensation due to directors and supervisors are recognized as expenses and liabilities when there is a legal or constructive obligation, and the amount can be reasonably estimated. When there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it will be handled in accordance with accounting estimate changes.

4. Termination benefits

Termination benefits are provided when the employment of an employee is terminated before the normal retirement date, or when an employee accepts benefits from the company in exchange for the termination of employment. The Company recognizes expenses when the offer of termination benefits can no longer be withdrawn or at the earliest date when the related restructuring costs are recognized. Benefits expected to be entirely settled beyond 12 months after the end of the reporting period shall be discounted.

(XV) Share Capital and Treasury Shares

1. Share Capital

Ordinary shares are classified as Equity. The classification of preference shares is based on the substance of the contract agreement and the definition of

financial liabilities and equity instruments. The specific rights attached to the preference shares are evaluated. If they exhibit the basic characteristics of financial liabilities, they are classified as liabilities, otherwise they are classified as equity. Direct costs attributable to the issuance of new shares or stock options are listed as deductions from equity.

2. Treasury shares

The Company repurchases its issued shares and recognizes the consideration paid at the time of repurchase (including directly attributable costs) as "Treasury Stock," deducted from equity. When disposing treasury shares, if the disposal price is higher than the book value, the difference is recorded as Capital surplus, treasury share transactions; if the disposal price is lower than the book value, the difference is offset against the capital surplus generated by transactions of the same type of treasury shares. If there is a deficit, it will be debited from Retained earnings. The carrying value of treasury shares is calculated based on a weighted average and is broken down by the reason for their recovery.

When treasury shares are cancelled, the share capital and capital surplus-additional paid-in capital are debited in proportion to the equity. If the book value is higher than the sum of the par value and the additional paid-in capital, the difference will offset the capital surplus generated by the same type of treasury share transactions. If there is a deficiency, it will be offset against the retained earnings. If the book value is lower than the sum of the par value and additional paid-in capital, then the capital surplus generated by the same type of treasury share transactions will be credited.

(XVI) Income tax

1. The tax expense includes current and deferred income tax. Except for income tax related to items that are recognized in other comprehensive income or directly in equity, income tax is recognized in profit or loss.
2. The current income tax is calculated based on the taxable income generated by the Company, using the tax rates enacted or substantively enacted by the balance sheet date. The management periodically assesses the status of income

tax filings in accordance with applicable income tax laws, and where applicable, provision is made for income tax liabilities based on the expected taxes payable to tax authorities. In accordance with the Taiwan Income Tax Law, the income tax on unappropriated retained earnings is levied. It is not until the year after the year in which the profits are generated, and after the profit distribution proposal is approved at the shareholders' meeting, that the income tax expenses are recognized based on the actual profit distribution situation.

3. Deferred income tax is recognized using the statement of financial position method, based on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities, arising from goodwill initially recognized, are not recognized. If the deferred tax is originated from the initial recognition of assets or liabilities from a transaction (excluding business combinations), it didn't affect accounting profit or taxable income (tax losses) at the time of transaction, and equal taxable and deductible temporary differences were not generated at that time, then it is not recognized. If temporary differences arise from investments in subsidiaries, the Company recognizes them only if it can control the timing of their reversal and if it is probable that they will not reverse in the foreseeable future. Deferred income tax is recognized using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.
4. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized, and are reassessed at the end of each reporting period for unrecognised and recognized deferred tax assets.
5. When there is a legally enforceable right to offset the current income tax assets and liabilities recognized and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously, only then the current income tax assets and current income tax liabilities are offset. 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 levied by the same tax authority on the same taxpayer, or generated by different taxpayers but each subject intends to settle on a net basis or realize assets and settle liabilities simultaneously, only then are deferred tax assets and liabilities offset.

6. Tax benefits generated by expenditures for equipment or technology acquisitions, research and development expenses, talent training expenses, and equity investments are accounted for by deducting income tax.

(XVII) Recognition of Revenues

The Company recognizes revenue from customer contracts following these steps:

1. Identify customer contracts;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenues when performance obligations are fulfilled.

Contracts with a time interval of less than 1 year between the transfer of goods or services and the receipt of consideration do not adjust the transaction price for their significant financial components.

a. Merchandise Sales

Sales of goods come from the sale of products such as cement, limestone, and cement processed products. Revenue from sales. Recognized when control of the product is transferred to the customer, as the customer has a fixed price and the right to use the goods, and assumes the primary responsibility for resale and the risk of obsolescence. The Company recognizes revenue and accounts receivable at that point, expressed net of sales returns, quantity discounts, and allowances.

During material removal processing, the control of ownership of the processed products is not transferred, so revenues are not recognized at the time of material removal.

b. Revenue from sale of land and buildings

Revenue from sales of properties within the normal course of business is recognized when each property is completed and delivered or transferred to the buyer.

(XVIII) Loan Cost

The borrowing costs that can be directly attributed to the acquisition, construction or production of a qualifying asset are included as part of the cost of that asset, until such time as substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

Investment revenues earned from temporary investments of specific borrowings before the occurrence of eligible capital expenses are deducted from the borrowing costs that meet the capitalization criteria.

Apart from the above, all other borrowing costs are recognized as losses in the current period.

V. Main Sources of Significant Accounting Judgment, Estimation and Assumption Uncertainties

The significant judgment, key accounting estimation and assumptions adopted by the Company in preparing the consolidated financial statements are as follows:

(I) Significant judgments in applying accounting policies

1. Judgment by business model classification for financial assets

The Company assesses the operating model to which financial assets belong based on the level that reflects the grouping of financial assets managed jointly to achieve specific business objectives. This assessment must take into account all relevant evidence, including the methods of measuring asset performance, the risks affecting performance, and the methods of determining the compensation of relevant managers, and judgment must be used. The Company continually evaluates whether its operating model determination is appropriate and monitors the derecognition of financial assets measured at amortized cost and debt instruments investments measured at fair value through other comprehensive income until their maturity date, understanding the reasons for their disposal to assess whether the disposal aligns with the objectives of the operating model. If there is a change in the operating model, the Company reclassifies financial assets in accordance with IFRS 9 and applies the reclassification from the reclassification date.

2. Recognition of Revenues

The Company determines, in accordance with IFRS 15, whether it has obtained or will obtain control of the specified goods or services before transferring them to the customer and acts as the principal or agent in the transaction. If it is determined to be the agent in the transaction, the Company recognizes revenue as the net amount of the transaction.

The Company acts as the principal if one of the following conditions is met:

- a. The Company obtains control of the goods or other assets from another party before transferring them to the customer.

- b. The Company controls the right to the services provided by another party, with the ability to direct the other party's provision of services to the customer; or
- c. The Company obtains control of goods or services from another party to combine them with other goods or services to provide specific goods or services to the customer.

The indicators used to help determine whether our company controls a specific good or service before transferring it to a customer include (but are not limited to):

- (1) The Company has primary responsibility for fulfilling the commitment to provide specified goods or services.
- (2) The Company bears the inventory risk before and after the transfer of specified goods or services to the customer.
- (3) The Company has discretion in setting prices.

3. Lease period

When determining the lease term, the Company considers all relevant facts and circumstances that generate economic incentives to exercise (or not to exercise) an option, including expected changes in facts and circumstances during the period from the commencement date to the exercise date of the option. Factors considered include contractual terms and conditions over the term covered by the option, significant leasehold improvements made (or expected to be made) during the lease term, and the significance of the underlying asset to the Company's operations. The lease term is reassessed when significant events or significant changes in circumstances occur within the Company's control scope.

(II) Significant Accounting Estimates and Assumptions

1. Financial assets' Estimated Impairment

The estimation of impairment for accounts receivable, debt instrument investments, and financial guarantee contracts is based on the Company's assumptions regarding default rates and expected loss rates. The Company considers historical experience,

current market conditions, and forward-looking information to make assumptions and select input values for impairment assessments. If the actual cash flows in the future are less than expected, significant impairment losses may occur.

2. Fair Value Measurement and Evaluation Process

When assets and liabilities measured at fair value do not have market prices in active markets, the Company determines whether to outsource valuation and decides on appropriate fair value measurement techniques based on relevant regulations or judgment. If first-level input values cannot be obtained when estimating fair value, the Company references analyses of the financial condition and operating results of the investee, recent transaction prices, quotes for similar equity instruments in inactive markets, quotes for similar instruments in active markets, and valuation multiples of comparable companies to determine input values. If actual changes in future input values differ from expectations, it may result in changes in fair value. The Company periodically updates input values based on market conditions to monitor whether fair value measurement is appropriate.

3. Tangible and intangible assets Impairment Assessment

During the impairment assessment process, the Company relies on subjective judgment and determines the independent cash flows, asset useful lives, and potential future revenues and expenses for specific asset groups based on asset usage patterns and industry characteristics. Any changes in estimates resulting from changes in economic conditions or corporate strategies may lead to significant impairments in the future.

4. Evaluating impairment for investments accounted for using equity method

When indicators of impairment suggest that an equity-method investment may have become impaired to the extent that its carrying amount cannot be recovered, the Company promptly assesses the impairment of that investment. The Company evaluates the recoverable amount based on the present value of expected future cash flows from the investee or the present value of expected cash dividends and proceeds from the disposal of the investment, and analyzes the reasonableness of related assumptions.

5. Deferred tax assets' Impairment Assessment

Deferred tax assets are recognized only when it is likely that sufficient taxable income will be available in the future to utilize temporary differences. When assessing the realizability of deferred tax assets, it involves significant accounting judgments and estimates of management, including assumptions of anticipated future sales growth and profit margins, tax-free periods, available income tax offsets, and tax planning. Any changes in the global economic environment, industry environment, and laws may cause significant adjustments to Deferred tax assets.

6. Valuation of Current inventories

As inventories are measured at the lower of cost and net realizable value, the Company must exercise judgment and estimation to determine the net realizable value of inventories at the balance sheet date. The Company assesses the amount at which inventories are carried on the balance sheet date due to normal wear and tear, obsolescence, or lack of marketability, and reduces inventory cost to the net realizable value.

7. Lessee's Incremental borrowing rate

When determining the lessee's incremental borrowing rate used for discounting lease payments, the reference rate is the risk-free rate for the same currency and related period. The estimated lessee's credit risk premium and lease-specific adjustments (including asset-specific and secured factors) are also taken into account.

VI. Descriptions of Material Accounting Items

(I) Cash and cash equivalents

Item(s)	December 31, 2023	December 31, 2022
Cash	\$ 303	\$ 292
Checking account deposits	3,349	4,869
Demand deposits	91,133	116,313
Total	\$ 94,785	\$ 121,474

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

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

Item(s)	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Open-ended Fund	\$ -	\$ 13,394
Bonds	17,996	16,638
Total	\$ 17,996	\$ 30,032

1. The net gains (losses) recognised by the Company in 2023 and 2022 were NTD 1,291 thousand and NTD (-5,305) thousand respectively.
2. The Company has not provided any pledges for financial assets at fair value through profit or loss.
3. For more details on the related credit risk management and evaluation methods, please refer to Note XII.

(III) Notes receivable, net

Item(s)	December 31, 2023	December 31, 2022
Measured at amortized cost		
Total book value	\$ 233,423	\$ 214,289
Less: Loss allowance	(187)	(2,571)
Notes receivable, net	<u>\$ 233,236</u>	<u>\$ 211,718</u>

1. For related disclosures about the allowance for bad debts of notes receivable, please refer to Note VI, (IV).
2. For transactions involving related parties, please refer to Note VII(III)5 for further explanation.

(IV) Accounts receivable, net

Item(s)	December 31, 2023	December 31, 2022
Measured at amortized cost		
Total book value	\$ 38,720	\$ 44,168
Less: Loss allowance	(31)	(592)
Accounts receivable, net	<u>\$ 38,689</u>	<u>\$ 43,576</u>

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

			Loss allowance (lifetime expected	
December 31, 2023	Expected credit loss rate	Total book value	credit loss)	Amortised cost
Not overdue	0%-2%	\$ 528,629	\$ (251)	\$ 528,378
Overdue 0 ~ 90 days	0%-5%	-	-	-
Overdue 91 ~ 180 days	0%-25%	-	-	-
Overdue 181 ~ 365 days	0%-50%	-	-	-
Overdue for more than 365 days	0%-100%	-	-	-
Total		\$ 528,629	\$ (251)	\$ 528,378

			Loss allowance (lifetime expected	
December 31, 2022	Expected credit loss rate	Total book value	credit loss)	Amortised cost
Not overdue	0%-2%	\$ 408,003	\$ (3,516)	\$ 404,487
Overdue 0 ~ 90 days	0%-5%	-	-	-
Overdue 91 ~ 180 days	0%-25%	-	-	-
Overdue 181 ~ 365 days	0%-50%	-	-	-
Overdue for more than 365 days	0%-100%	63	(63)	-
Total		\$ 408,066	\$ (3,579)	\$ 404,487

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

Item(s)	2023	2022
Beginning balance	\$ 3,579	\$ 18,740
Add: Recognition of impairment losses	-	-
Less: Reversal of impairment losses	(3,265)	(339)
Less: Write-off due to unrecoverable	(63)	(14,822)
Ending balance	<u>\$ 251</u>	<u>\$ 3,579</u>

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

If there is evidence that the counterparty is experiencing severe financial difficulties and the Company cannot reasonably expect to recover the amount due, the Company

directly writes off the related accounts receivable directly, although collection efforts will continue, with any amounts collected recognized in the profit and loss. The Company wrote off accounts receivable of the contract amount for the years 2023 and 2022 were NTD 63,000 and NTD 14,822,000, respectively.

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

(V) Other receivables

Item(s)	December 31, 2023	December 31, 2022
Lease payments receivable	\$ -	\$ 1,415
Interests receivable	152	487
Reimbursement receivable for the prepaid design fees revenue	-	30,412
Other receivable	655	294
Subtotal	\$ 807	\$ 32,608
Less: Loss allowance	-	-
net	\$ 807	\$ 32,608

1. The Company and Bi-jiang Enterprises Co., Ltd. jointly hold the land and buildings in the Wan Nei section. Both parties agree to apply for a construction permit, but they need to issue a consent letter for the use rights of the land owner and execute the "Extension of the 2022 unit price calculation construction cost method" to handle the rush for work, and prepay the advance payment of NTD 30,412 thousand dollars to handle the hanging items. The rush for the design fee will be reclaimed after receiving the return document and the return refund operation is completed. The payment has been received in January 2023.

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

	December 31, 2023	December 31, 2022
Undiscounted lease payments		
Year 1	\$ -	\$ 1,428
Year 2	-	-
Year 3	-	-
Total	\$ -	\$ 1,428
Less: Unearned finance income	-	(13)
Less: Loss allowance	-	-
Lease payments receivable	\$ -	\$ 1,415
Unguaranteed residual value	\$ -	\$ -
Less: Unearned finance income	-	-
Present value of unguaranteed residual value	\$ -	\$ -
The net amount of lease investments listed as Finance lease receivable.	\$ -	\$ 1,415
Lease payments receivable (listed as other receivables)	\$ -	\$ 1,415
Long-term lease payments receivable (recorded under Other non-current assets)	\$ -	\$ -

The Company signed a financing lease agreement in December 2018 to sublet the 8th floor of the Southeast Building, which was under lease, to the Bureau of Employment Training of the Ministry of Labor. The average lease term is 5 years, and a fixed lease payment of NTD 714,000 is collected every six months. Since the sublease period corresponds to all the remaining periods of the main lease, the company classifies this lease as a finance lease.

(VI) Inventories and Cost of sales

Item(s)	December 31, 2023	December 31, 2022
Manufacturing Department:		
Primary fuel	\$ 3,686	\$ 15,836
Supplies	45	55,099
Work in process	-	4,057
Finished goods	26,285	98,694
Net - Manufacturing department	\$ 30,016	\$ 173,686
Construction Division:		
Land construction	\$ 359,125	\$ 359,125
Net - Construction Department	\$ 359,125	\$ 359,125
Total	\$ 389,141	\$ 532,811

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

Item(s)	2023	2022
Disposal of inventory cost	\$ 1,787,796	\$ 1,455,446
Other Cost of revenue	24,642	60,164
Unamortized manufacturing expenditures	36,934	25,963
Loss for market price decline and obsolete and slow-moving inventories recognition (gain on reversal)	5,061	(6,304)
Total operating costs	\$ 1,854,433	\$ 1,535,269

- ii. The Company has written down the value of current inventories to net realizable value during 2023 and 2022, or due to factors such as price fluctuations, which caused the net realizable value of current inventories to rise again. As a result, the recognized inventory decline and stagnation losses (rising gains) were NTD 5,061 thousand and NTD (6,304) thousand, respectively.
- iii. The Company has not pledged any current inventories.
- iv. The increase in current inventories for the period and the adjustment for purchasing inventories in the cash flow statement are as follows:

Item(s)	2023	2022
Increase (Decrease) in Inventories	\$ 143,670	\$ (28,425)
Transferred to property, plant, and equipment	(2,695)	(1,074)
Cash received (paid) for decrease (increase) in inventories	\$ 140,975	\$ (29,499)

(VII) Prepayments

Item(s)	December 31, 2023	December 31, 2022
Prepayments for material purchases	\$ 8,818	\$ 11,604
Prepayments for insurance premiums	208	281
Offset Against Business Tax Payable	-	1,101
Other prepaid	205	1,548
Total	\$ 9,231	\$ 14,534

(VIII) Non-current assets held for sale

Considering operational considerations, the Company signed a contract with North-Star International Co., Ltd. in June 2023 to sell land, buildings, and equipment at no. 1081 Zhonglinzi Section, Xiaogang District, Kaohsiung City, for a contract price of NTD 1,084,296 thousand (including tax) and reclassified the related assets as non-current assets held for sale. The land, buildings, and equipment subject to the transaction completed ownership transfer in August 2023, generating a gain on disposal of non-current assets held for sale of NTD 167,435 thousand. As of December 31, 2023, the full sale price has been fully collected.

(IX) Other financial assets - Current

Item(s)	December 31, 2023	December 31, 2022
Time deposits with an original maturity of more than 3 months:		
Time deposits		
Time deposits in NTD	\$ 1,107	\$ 1,107
Time deposits in Foreign Currency	63,522	163,433
Total	\$ 64,629	\$ 164,540
Interest Rate Range	0.78%-5.35%	0.78%-4.60%

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

Item(s)	December 31, 2023	December 31, 2022
Non-current	H	
Equity instruments		
Domestic listed companies' stocks	\$ 281,445	\$ 282,470
Domestic unlisted company stocks	180,370	185,956
Subtotal	\$ 461,815	\$ 468,426
Valuation adjustment	739,270	549,974
Total	\$ 1,201,085	\$ 1,018,400

1. The Company invests in the stocks of domestic unlisted companies based on its medium to long-term strategic objectives, expecting to profit from long-term investments. The management of the Company believes that recognizing short-term fair value fluctuations of such investments in profit or loss is inconsistent with the long-term investment plan. Therefore, these investments are designated as financial assets measured at fair value through other comprehensive income.
2. In 2023 and 2022, the Company adjusted its investment positions to diversify risks and sold some stocks at fair value. The unrealized gains/(losses) of other equity investments measured at fair value through other comprehensive income were NTD (197) thousand and NTD 475 thousand, respectively, transferred to retained earnings.
3. For related credit risk management and assessment methods, please refer to the explanation in Note XII.
4. The Company has not pledged any financial assets at fair value through other comprehensive income.

(XI) . Investments accounted for using equity method

Investee	December 31, 2023	December 31, 2022
Subsidiary		
Southeast Investment Co., Ltd	\$ 638,227	\$ 608,461
Dong Nai Construction Co., Ltd.	782,584	786,536
Southeast Topgood Resources Recycling Co., Ltd.	79,244	68,635
Southeast Paper Manufacturing Co., Ltd.	22,876	22,761
Southeast Milo International Co., Ltd.	10,847	18,892
Da Yang Construction Co., Ltd	118,123	100,807
Subtotal	\$ 1,651,901	\$ 1,606,092
Less: Reclassification of mother company shares held by subsidiaries to treasury shares	(12,185)	(12,185)
Subtotal	\$ 1,639,716	\$ 1,593,907
Significant associates:		
Taiwan Machinery Shipyard Co., Ltd.	324,489	319,365
Individual associates that are not significant	86,843	84,710
Total	\$ 2,051,048	\$ 1,997,982

1. Subsidiary

- (1) For information on the Company's subsidiaries, please refer to Note IV(III) of the Company's consolidated financial statements for the year 2023.
- (2) Investments accounted for using the equity method and the Company's share of their profit or loss and other comprehensive income are calculated based on the audited financial statements.

2. Associates:

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

Company Name	Shareholding Ratio	
	December 31, 2023	December 31, 2022
Taiwan Machinery Shipyard Co., Ltd.	31.01%	31.01%

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

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

A. Balance Sheets

	Taiwan Machinery Shipyard Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	\$ 433,215	\$ 432,881
Non-current assets	1,180,388	1,160,957
Current liabilities	(401,879)	(435,481)
Non-current liabilities	(126,000)	(94,085)
Equity	\$ 1,085,724	\$ 1,064,272
Share of the associate's net assets	\$ 336,719	\$ 330,066
Unrealized gain (loss) on transactions with associates	(12,230)	(10,701)
Book value of associates	\$ 324,489	\$ 319,365

B. Consolidated Statement of Comprehensive Income

Company Name	Taiwan Machinery Shipyard Co., Ltd.	
	2023	2022
Operating revenue	\$ 500	\$ -
Profit	(3,980)	(8,005)
Other comprehensive income (net of tax)	20,504	(1,905)
Total comprehensive income	\$ 16,524	\$ (9,910)
Dividends received from the associates	\$ -	\$ 2,561

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

	2023	2022
Share entitled:		
Profit	\$ 2,073	\$ 1,222
Other comprehensive income (net of tax)	60	(275)
Total comprehensive income	<u>\$ 2,133</u>	<u>\$ 947</u>

(4) Investments accounted for using the equity method and the Company's share of their profit or loss and other comprehensive income are calculated based on the audited financial statements.

3. As of December 31, 2023, and 2022, the investments accounted for using the equity method by the Company were not pledged.

(XII) Property, plants and equipment

Item(s)	December 31, 2023	December 31, 2022
Land	\$ 153,748	\$ 720,848
Buildings and structures	318,897	381,670
Machinery and equipment	898,416	1,001,897
Transportation equipment	11,129	25,036
Other facilities	65,281	61,357
Equipment under acceptance and unfinished projects	52,954	126,071
Total Cost	<u>\$ 1,500,425</u>	<u>\$ 2,316,879</u>
Less: Accumulated depreciation	(1,033,315)	(1,067,259)
Accumulated impairment	(34,568)	(12,204)
Total	<u><u>\$ 432,542</u></u>	<u><u>\$ 1,237,416</u></u>

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other facilities	Equipment under acceptance and unfinished projects	Total
Cost							
Balance at January 1, 2023	\$ 720,848	\$ 381,670	\$1,001,897	\$ 25,036	61,357	\$ 126,071	\$2,316,879
Addition	300	-	-	-	-	194,979	195,279
Inventory transfers	-	-	-	-	-	2,695	2,695
disposal	-	(25,322)	(34,430)	(14,197)	-	-	(73,949)
Transferred to expenses	-	-	(552)	-	-	(65)	(617)
Reclassification	14,000	40,510	160,709	290	3,924	(219,433)	-
Reclassification of investment property	-	-	-	-	-	(51,293)	(51,293)
Reclassification of non-current assets held for sale	(581,400)	(77,961)	(229,208)	-	-	-	(888,569)
Balance at December 31, 2023	\$ 153,748	\$ 318,897	\$ 898,416	\$ 11,129	65,281	52,954	\$1,500,425
Accumulated Depreciation and Impairment							
Balance at January 1, 2023	-	\$ 301,948	\$ 715,714	\$ 24,491	37,310	-	\$1,079,463
Depreciation expense	-	637	7,358	296	2,054	-	10,345
disposal	-	(25,322)	(32,464)	(14,141)	-	-	(71,927)
Provision for impairment losses	-	238	49,764	-	-	-	50,002
Balance at December 31, 2023	-	\$ 277,501	\$ 740,372	\$ 10,646	39,364	-	\$1,067,883

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Other facilities	Equipment under acceptance and unfinished projects	Total
Cost							
Balance as of January 1, 2022	\$ 720,588	\$ 381,670	\$1,001,897	\$ 25,036	\$ 39,437	\$ 21,655	\$2,190,283
Addition	260	-	-	-	267	124,995	125,522
Inventory transfers	-	-	-	-	-	1,074	1,074
Reclassification	-	-	-	-	21,653	(21,653)	-
Balance at December 31, 2022	\$ 720,848	\$ 381,670	\$1,001,897	\$ 25,036	\$ 61,357	\$ 126,071	\$2,316,879
Accumulated Depreciation and Impairment							
Balance as of January 1, 2022	\$ -	\$ 301,605	\$ 706,830	\$ 24,185	\$ 35,737	\$ -	\$1,068,357
Depreciation expense	-	343	8,884	306	1,573	-	11,106
Balance at December 31, 2022	\$ -	\$ 301,948	\$ 715,714	\$ 24,491	\$ 37,310	\$ -	\$1,079,463

1. Capitalization amount and interest rate range of borrowing costs for property, plant and equipment: None.
2. The Company plans to demolish the buildings and equipment of the Kaohsiung plant. As the related buildings and equipment have a Book Value that cannot be recovered through continued use or sale, impairment losses are recognized based on the

estimated disposal value of the assets. Impairment losses amounted to NTD 50,002 thousand and NTD 0 thousand for the years ended 2023 and 2022, respectively.

3. Information on assets provided as collateral using property, plant and equipment:
None.

(XIII) Lease Agreement

1. Right-of-use assets

Item(s)	December 31, 2023	December 31, 2022
Land	\$ 277,074	\$ 314,990
Buildings	366,514	372,001
Transportation equipment	3,340	4,220
Total Cost	\$ 646,928	\$ 691,211
Less: Accumulated depreciation	(284,089)	(226,350)
Accumulated impairment	-	-
net	\$ 362,839	\$ 464,861

Cost	Land	Buildings	Transportation equipment	Total
Balance at January 1, 2023	\$ 314,990	\$ 372,001	\$ 4,220	\$ 691,211
Increase in this period	-	3,153	3,340	6,493
Decrease in the current period	(37,916)	(8,640)	(4,220)	(50,776)
Balance at December 31, 2023	\$ 277,074	\$ 366,514	\$ 3,340	\$ 646,928
Accumulated Depreciation and Impairment				
Balance at January 1, 2023	\$ 199,676	\$ 23,042	\$ 3,632	\$ 226,350
Depreciation expense	41,854	18,869	1,236	61,959
Decrease in the current period	-	-	(4,220)	(4,220)
Balance at December 31, 2023	\$ 241,530	\$ 41,911	\$ 648	\$ 284,089

Cost	Land	Buildings	Transportation equipment	Total
Balance as of January 1, 2022	\$ 283,740	\$ 18,839	\$ 4,220	\$ 306,799
Increase in this period	31,250	353,162	-	384,412
Decrease in the current period	-	-	-	-
Balance at December 31, 2022	\$ 314,990	\$ 372,001	\$ 4,220	\$ 691,211
Accumulated Depreciation and Impairment				
Balance as of January 1, 2022	\$ 152,946	\$ 4,038	\$ 2,226	\$ 159,210
Depreciation expense	46,730	19,004	1,406	67,140
Recognizing (reversing) impairment losses	-	-	-	-
Balance at December 31, 2022	\$ 199,676	\$ 23,042	\$ 3,632	\$ 226,350

2. Lease liabilities

Item(s)	December 31, 2023	December 31, 2022
Book value of lease liabilities		
Current	\$ 30,038	\$ 60,297
Non-current	\$ 363,571	\$ 420,838

The discount rate range of lease liabilities is as follows:

Item(s)	December 31, 2023	December 31, 2022
Land	0.78%-1.756%	0.78%-1.64321%
Buildings	0.78%-1.756%	1.16%
Transportation equipment	1.724%	1.16%

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

3. Significant Leasing Activities and Terms

The Company leases several pieces of land, buildings, and transportation equipment for operations, factories, and external roads. The lease term is 3-20 years. Some leases include renewal options upon expiration, while others are based on segmented

values and rates according to the leased land area or calculated based on the current land value announced for the year. The Company has included the renewal right of the lease that is due to expire in the lease liabilities. Additionally, as per the contract, the assets subject to the lease the Company cannot sublease the leased assets to others without the lessor's consent. As of December 31, 2023 and 2022, there were no indicators of impairment for right-of-use assets, hence no impairment assessment was conducted.

Due to the severe impact of the COVID-19 pandemic on the market economy in 2021, the Company negotiated the land lease agreement with the landlord. The landlord agreed to unconditionally reduce a portion of the rent expense for 2022. The Company recognized the impact of the aforementioned lease concession amounting to NTD 3,790 thousand in the income statement (listed under other income) in 2022.

4. Sublease:

The Company has subleased the 8th floor of the Southeast Building to the Bureau of Vocational Training of the Ministry of Labor through an operating lease, and the related right-of-use assets are derecognized due to the sublease, while the leasepayments receivables are recognized at the same time. The revenues from subleasing right-of-use assets for 2023 and 2022 were NTD 13 thousand and NTD 28 thousand respectively.

5. Other lease information

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

Item(s)	2023	2022
Short-term lease expenses	\$ 48	\$ 50
Leasing Expenses for Low-value Assets	\$ -	\$ -
Changes not included in the measurement of lease liabilities		
Lease Payment Expenses	\$ 67,331	\$ -
Total cash outflow from leases (Note)	\$ (113,896)	\$ (56,220)

(Note): It includes the payments of lease liabilities principal for the current period.

The Company chose to apply the exemptions for short-term leases and low-value assets leases that meet the recognition criteria in 2023 and 2022, without recognizing the related right-of-use assets and lease liabilities for such leases.

(XIV) Investment property

Item(s)	December 31, 2023	December 31, 2022
Land	\$ 5,731,323	\$ 5,388,303
Buildings, structures, and equipment	154,233	759,818
Total Cost	\$ 5,885,556	\$ 6,148,121
Less: Accumulated depreciation	(106,889)	(498,392)
Accumulated impairment	-	(210,604)
net	\$ 5,778,667	\$ 5,439,125

	Land	Buildings, structures, and equipment	Total
Cost			
Balance at January 1, 2023	5,388,303	\$ 759,818	6,148,121
Addition	291,727	-	291,727
Property, plant and equipment transferred in	51,293	-	51,293
disposal	-	(605,585)	(605,585)
Reclassification	-	-	-
Balance at December 31, 2023	<u>5,731,323</u>	<u>\$ 154,233</u>	<u>5,885,556</u>
Accumulated Depreciation and Impairment			
Balance at January 1, 2023	-	\$ 708,996	708,996
Depreciation expense	-	3,478	3,478
Impairment losses	-	-	-
disposal	-	(605,585)	(605,585)
Balance at December 31, 2023	<u>-</u>	<u>\$ 106,889</u>	<u>106,889</u>

	Land	Buildings, structures, and equipment	Total
Cost			
Balance as of January 1, 2022	5,274,017	\$ 759,818	6,033,835
Addition	114,286	-	114,286
Reclassification	-	-	-
Balance at December 31, 2022	<u>5,388,303</u>	<u>\$ 759,818</u>	<u>6,148,121</u>
Accumulated Depreciation and Impairment			
Balance as of January 1, 2022	-	\$ 697,780	697,780
Depreciation expense	-	4,242	4,242
Impairment losses	-	6,974	6,974
Balance at December 31, 2022	<u>-</u>	<u>\$ 708,996</u>	<u>708,996</u>

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

Item(s)	2023	2022
Lease income from investment property	\$ 160,121	\$ 101,112
Direct operating expenses incurred by investment property that generated lease income in the current period.	\$ 48,776	\$ 54,045
Direct operating expenses incurred by investment property that did not generate lease income in the current period.	\$ 373	\$ 375

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

	Total significant lease payments	
	December 31, 2023	December 31, 2022
Year 1	\$ 105,030	\$ 11,408
Year 2	109,117	105,030
Year 3	110,502	109,117
Year 4	110,592	110,502
Year 5	112,390	110,592
More than 5 years	3,098,551	3,210,941
Total	\$ 3,646,182	\$ 3,657,590

3. The fair value of investment properties is partially determined based on recent independent appraisals using the comparative method. For the rest, it is based on references from the Ministry of the Interior's real estate transaction price inquiry service website or real estate agency websites, querying recent transaction prices for similar locations and types. These are all considered as Level 3 of fair values. The fair values obtained from the appraisal are as follows:

Item(s)	December 31, 2023	December 31, 2022
Fair value	\$ 17,883,324	\$ 18,279,653

4. As of December 31, 2023 and 2022, certain lands of the Company are temporarily registered under individual names due to legal restrictions and cannot be registered under the Company's name. However, to ensure equity, the Company has obtained the commitment of the registrant to unconditionally transfer to the name of the Company or has taken protective measures for the mortgage registration once the legal restrictions are lifted.
5. For information on investment property provided as collateral, please refer to Note VIII.
6. As mentioned in Note VI(XXXII), due to the receipt of the termination of lease of Wannei Section land and its buildings from Boyuan Construction Co., Ltd., the book value of the related equipment could not be recovered through use or sale. Therefore, impairment losses were estimated based on the residual value of the related Assets upon disposal. Impairment losses (reversal of impairment gain) of NTD 6,974 thousand were recognized in 2022. The aforementioned residual value corresponds to Level 3 of fair value.

(XV) Refundable Deposits

Item(s)	December 31, 2023	December 31, 2022
Mining Deposits	\$ 562	\$ 562
Lease deposit	17,391	14,091
Membership deposit	165	165
Other deposit s	12	16
Total	\$ 18,130	\$ 14,834

(XVI) Short-term loans

Nature of Loans	December 31, 2023	
	Amount	Interest rate
Mortgage loans	\$ 608,000	1.75%-1.8%
Credit loans	290,000	1.65%~1.82378%
Total	\$ 898,000	

Nature of Loans	December 31, 2022	
	Amount	Interest rate
Mortgage loans	\$ 1,450,000	1.59%-1.975%
Credit loans	80,000	1.40%
Total	<u>\$ 1,530,000</u>	

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

(XVII) Short-term notes payable

Item(s)	December 31, 2023	December 31, 2022
Commercial papers payable	\$ 100,000	\$ 260,000
Less: Unamortized discount	(43)	(32)
net	<u>\$ 99,957</u>	<u>\$ 259,968</u>
Interest Rate Range	<u>1.758%-1.798%</u>	<u>2.038%-2.12%</u>

Item(s)	December 31, 2023	December 31, 2022
To-be-recognized Cement expenses	\$ 45,378	\$ 18,843
Advance sales receipts	108	27
Total		
	<u>\$ 45,486</u>	<u>\$ 18,870</u>

(XVIII) Other payables

Item(s)	December 31, 2023	December 31, 2022
Salary and bonus payable	\$ 11,599	\$ 15,536
Payable Goods Tax	-	7,713
Utility payable	1,057	9,106
Tax payable	4,634	3,037
Dividends payable - Previous period	4,451	3,977
Compensation due to employees and directors	11,502	9,594
Accrued factory demolition expenses	55,580	-
Others	20,758	12,833
Total	\$ 109,581	\$ 61,796

(XIX) Provisions-Current

Item(s)	December 31, 2023	December 31, 2022
Employee benefits/welfare	\$ 1,769	\$ 1,441

Item(s)	Employee benefits/ welfare	Item(s)	Employee benefits/ welfare
January 1, 2023	\$ 1,441	January 1, 2022	\$ 1,572
Current additions to Provisions	1,769	Current additions to Provisions	1,441
Current use of Provisions	(1,441)	Current use of Provisions	(1,572)
December 31, 2023	\$ 1,769	December 31, 2022	\$ 1,441

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

(XX) Pension expense

- At the end of 2004, the Company implemented voluntary retirement and resignation proceedings for employees in accordance with the Labor Standards Act. Since July 1, 2005, the Company has established a defined contribution retirement plan in accordance with the "Labor Retirement Pension Act," applicable to local employees. Regarding the portion of the employee retirement pension system under the "Labor Retirement Pension Act" chosen by employees, the Company contributes 6% of the salary monthly to the employees' individual accounts at the Labor Insurance Bureau. The payment of employee retirement benefits is made either on a monthly basis or

as a lump sum, depending on the amount in the employees' individual retirement accounts and accumulated earnings.

2. The Company recognized retirement benefit costs in accordance with the above retirement plan, amounting to NTD 2,566 thousand and NTD 2,726 thousand in 2023 and 2022 respectively.

(XXI) Deposits received

Item(s)	December 31, 2023	December 31, 2022
Lease deposit	\$ 32,552	\$ 32,546
Cement deposit	2,882	3,282
Others	4,897	-
Total	<u>\$ 40,331</u>	<u>\$ 35,828</u>

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

(XXII) Ordinary share(s)

Item(s)	2023		2022	
	Shares (in thousands)	Amount	Shares (in thousands)	Amount
January 1st	572,000	\$ 5,720,008	572,000	\$ 5,720,008
Cash capital increase	-	-	-	-
Capitalization of earnings	-	-	-	-
December 31st	572,000	\$ 5,720,008	572,000	\$ 5,720,008

As of December 31, 2023, the Company has a registered capital of NTD 8,000,000 thousand, divided into NTD 800,000 thousand shares.

(XXIII) Capital surplus

Item(s)	December 31, 2023	December 31, 2022
Additional paid-in capital	118,316	118,316
Treasury share transactions	67,161	67,056
Recognised due to investments accounted for using equity method	3,211	3,211
Total	\$ 188,688	\$ 188,583

In accordance with the Company Act, the capital surplus from the excess of issue prices over the par value of shares and capital surplus from donated assets received, apart from being used to offset losses, can be distributed as new shares or cash based on the proportion of original shareholdings when the Company has no accumulated losses. In accordance with the relevant regulations of the Securities Exchange Act, when the aforementioned the capital surplus allocated to increase capital shall not exceed ten percent of the paid-in capital annually. When the retained earnings are insufficient to cover the capital deficit, capital surplus cannot be used to supplement it. The Company Capital surplus generated from investments accounted for using the equity method shall not be used for any purpose.

(XXIV) Retained Earnings and Dividend Policy

1. According to the Retained earnings and dividend policy stipulated in the Company's articles of association, if the Company's annual final accounts show a profit, it should first pay Taxes, offset past losses, and then set aside 10% as a Legal reserve until the Legal reserve has reached the total capital of the Company. After providing

or reversing the Special reserve according to the requirements of the competent authority, the remaining balance, together with the accumulated Unappropriated retained earnings of previous years and the adjustment of Unappropriated retained earnings in the current year, serve as the distributable profits. The Board of Directors will draw up a profit distribution plan, which will be submitted to the shareholders' meeting for resolution and then distributed as shareholder dividends.

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

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

4. The profit distribution resolutions and dividends per share approved by the shareholders' meetings in June 2023 and June 2022 for the years 2022 and 2021 are as follows:

Item(s)	Earnings Distribution Proposal		Earnings Per Share (EPS)	
	2022	2021	2022	2021
Legal reserve	14,952	14,023		
Cash dividends of ordinary share(s)	57,200	114,400	0.10	0.20
Total	72,152	128,423		

5. The Company's Board of Directors proposed the following profit distribution for 2023 on March 14, 2024:

	Earnings Distribution Proposal		Earnings Per Share (EPS)	
Legal reserve	\$	14,932		
Cash dividends of ordinary share(s)		114,400	\$	0.20
Total	\$	129,332		

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

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

(XXV) Special reserves

Item(s)	December 31, 2023	December 31, 2022
Reserve for factory construction	\$ 500,000	\$ 500,000
Initial application of International Financial Reporting Standards (IFRSs) provision.	310,918	310,918
Total	\$ 810,918	\$ 810,918

1. Plant construction reserve is a special surplus reserve set aside by the Company in 1994, resolved by the shareholders' meeting to prepare for the construction of plants domestically or overseas.
2. As a result of the initial adoption of International Financial Reporting Standards (IFRSs), the Company reclassified the previously recognized unrealized revaluation increment of NTD 341,766 thousand, originally recognized under the generally accepted accounting principles in Taiwan, to retained earnings. Pursuant to the Financial Supervisory Commission's letter No. 1010012865, an equivalent amount of special surplus reserve should be provisioned. However, as the adjustment amount to retained earnings as of the transition date was only NTD 319,012 thousand, the provisioned amount for special surplus reserve was NTD 319,012 thousand.
3. The special reserve provisioned due to the initial adoption of IFRSs listed above, the Company be reversed to retained earnings at a proportionate rate upon subsequent disposal, use, or reclassification related assets by the Company. As of December 31, 2023, \$8,094 thousand was reversed from the initially provisioned special surplus reserve to retained earnings due to the disposal of investment properties.

(XXVI) Total other equity interest

Item(s)	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	
	2023	2022
Beginning balance	\$ 523,949	\$ 551,296
Unrealized evaluation gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	189,100	(19,824)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	197	(475)
Recognition of Share of Associates and Joint Ventures under the Equity Method - Unrealized (Losses) Gains on Equity Instruments at Fair Value through Other Comprehensive Income	10,377	(7,048)
Ending balance	<u>\$ 723,623</u>	<u>\$ 523,949</u>

(XXVII) Treasury shares

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

2023:

Unit: Thousand shares

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

2022:

Unit: Thousand shares

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

- At the end of December 2011, the Company acquired control over Southeast Paper Manufacturing Co., Ltd. resulting in the reclassification of its carrying value of NTD 24,509 thousand (representing 49.71% ownership) from an investment in the parent company (financial assets measured at fair value through other comprehensive income - non-current) to treasury stock. The amounts as of December 31, 2023, and December 31, 2022, were both NTD 12,185 thousand. The market prices of the shares held by Southeast Paper Manufacturing Co., Ltd. in the Company were NTD 39,722 thousand and NTD 39,511 thousand on December 31, 2023 and 2022, respectively. Shares of the parent company held by subsidiaries are treated as treasury stock and retain dividend entitlements.

(XXVIII) Operating revenue

Item(s)	2023	2022
Revenue from customer contracts		
Sales revenue	\$ 1,858,655	\$ 1,600,359
Less: Sales discounts and allowances	-	-
Net operating revenue from customer contracts	\$ 1,858,655	\$ 1,600,359
Rental revenue	160,121	101,112
Operating revenue, net	\$ 2,018,776	\$ 1,701,471

1. Description of customer contracts

A. Sales revenue

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

2. Other operating income

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

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

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

	2023	2022
Main Regional Markets		
Taiwan	\$ 1,858,655	\$ 1,600,359
Main product line		
Cement	\$ 1,609,030	\$ 1,417,667
and Hearthstone powder	242,815	181,322
Current raw materials	6,810	1,370
Total	\$ 1,858,655	\$ 1,600,359
Time of Revenue Recognition		
Fulfilment of obligations at a specific point in time	\$ 1,858,655	\$ 1,600,359
Gradually fulfilment of obligations over time	-	-
	\$ 1,858,655	\$ 1,600,359

4. Contract balance

The Company recognizes the receivables and contract liabilities related to customer contract revenues as follows:

Item(s)	December 31, 2023	December 31, 2022
Receivables	\$ 527,571	\$ 371,879
Current contract liabilities	\$ 45,486	\$ 18,870

5. Significant changes in contract assets and contract liabilities

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

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

The amount recognized as Revenues for the current period	2023	2022
From the beginning of period contract liabilities	\$ 18,549	\$ 29,274
From the performance obligations that have been satisfactorily fulfilled in previous periods	\$ -	\$ -

(XXIX) Employee benefits, depreciation, amortization and depreciation and amortization expense

Category	2023		
	Recognized in operating expenses	Recognized in operating expenses	Total
Employee benefits expenses			
Salary Expenses	\$ 35,751	\$ 28,463	\$ 64,214
Labor and Health Insurance Expense	2,720	3,332	6,052
Pension expense	1,708	858	2,566
Director remuneration	-	9,121	9,121
Other employee benefits expense	4,891	3,216	8,107
Depreciation expense	44,036	31,746	75,782
Total	<u>\$ 89,106</u>	<u>\$ 76,736</u>	<u>\$ 165,842</u>

Category	2022		
	Recognized in operating expenses	Recognized in operating expenses	Total
Employee benefits expenses			
Salary Expenses	\$ 45,446	\$ 24,364	\$ 69,810
Labor and Health Insurance Expense	3,081	3,068	6,149
Pension expense	1,961	765	2,726
Director remuneration	-	8,167	8,167
Other employee benefits expense	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>

1. The additional information on the number of employees and employee benefit expenses for the years 2023 and 2022 is as follows:

Item(s)	December 31, 2023	December 31, 2022
Number of employees	98	112
Number of non-employee directors	8	7
Average employee welfare expenses	\$ 899	\$ 831
Average employee salary expenses	\$ 713	\$ 665
Adjustment rate for average employee salary expenses	7.22%	8.13%

2. The Company's compensation policy for directors, executives, and employees is as follows:

(1) Director remuneration

According to the company's articles of association, the remuneration of the company's directors is determined by the Board of Directors based on their level of involvement in the company's operations, the value of their contributions, and considering domestic and international industry standards. The articles of the association also stipulate that director's remuneration shall not exceed 3% of the annual profit.

(2) Executive remuneration

The remuneration of the company's executives is determined by the compensation committee based on their duties, contributions, the company's operating performance for the year, and consideration of future risks, and is submitted to the Board of Directors for approval.

(3) Employee remuneration

The company is committed to providing employees with compensation and benefits at industry-average levels. While considering external competitiveness, internal fairness, and legality, the company provides a competitive compensation system and adheres to the principle of profit sharing with employees to retain and motivate them. Employee

compensation includes monthly salaries and bonuses distributed by the company based on annual profit conditions. The company's articles of association stipulate that employee bonuses shall not be less than 2% of the annual profit.

3. According to the Company's articles of incorporation, if the Company generates profits for the year, it shall allocate Employee Remuneration and director remuneration at rates not less than 2% and not more than 3% of the pre-tax profits for the year, respectively, before deducting employee and director remuneration. However, when the Company has accumulated losses, an amount shall be reserved for offsetting the losses. For the years 2023 and 2022, Employee Remuneration was estimated at not less than 2% and director remuneration was estimated at not more than 3% of the aforementioned pre-tax profits. If there are any changes in the amounts after the issuance date of the annual financial statements, adjustments will be made in the subsequent year's accounts based on accounting estimates.
4. The Company's Board of Directors respectively approved the employee and director remuneration for the year 2023 and 2022, as well as the associated amounts recognized in the financial statements on March 14th, 2024 and 2023 as follows:

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

The employee remuneration is all paid in cash.

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

(XXX) Interest income

Item(s)	2023	2022
Interest income from bank deposits	\$ 4,063	\$ 2,989
Interest on loans provided	-	966
Interest income on lease payments receivable	13	28
Others interest	-	5
Total	<u>\$ 4,076</u>	<u>\$ 3,988</u>

(XXXI) Other income

Item(s)	2023	2022
Dividend income	\$ 51,674	\$ 48,527
Demolition compensation	-	114,286
Revenue from sale of air pollution reduction amount	6,990	916
Revenue from the sale of scrap iron, etc.	2,063	156
Rent expense reduction income	-	3,790
Others	7,709	9,060
Total	<u>\$ 68,436</u>	<u>\$ 176,735</u>

The compensation of demolition and relocation was received on October 6, 2022, following a notice from Bo Yuan Construction Corp., terminating the lease agreement for the land located at No. 763, Wan Nei Section, Sanmin District, Kaohsiung City, along with the building numbered 674 on the sameplot. According to Article 1 of the Supplementary Agreement to the Lease Contract and Article 9, Section 1 of the Lease Contract, the contract was terminated on October 14, 2022. As per the agreement, the lessee is required to pay NTD 114,286 thousand (exclusive of tax) to the Company upon termination of the lease as compensation for the demolition and relocation of the aforementioned building.

(XXXII) Other gains and losses

Item(s)	2023	2022
Net valuation gains (losses) on financial assets and liabilities at fair value through profit or loss	\$ 1,917	\$ (8)
Gains (losses) on disposal of financial assets measured at fair value through profit or loss	(626)	(5,297)
Net foreign exchange gains (losses)	(543)	17,282
Gain (loss) on disposal of property, plant and equipment	3,488	-
Loss (gain) on disposal of non-current assets classified as held for sale	167,435	-
Impairment loss recognized in profit or loss, property, plant and equipment	(50,002)	-
Impairment loss recognized in profit or loss, investment property	-	(6,974)
Other losses	(15,468)	(7,893)
Profit from lease modification	946	-
Loss on demolition of Kaohsiung plant	(55,580)	
Other impairment loss	-	(702)
Total	\$ 51,567	\$ (3,592)

1. Details regarding impairment losses arising from investments in subsidiaries are provided in Note VI(XXXVIII).
2. Regarding the disposal loss of Kaohsiung plant, please refer to the description in Note IX.

(XXXIII) Finance costs

Item(s)	2023	2022
Interest on bank loans	\$ 26,090	\$ 13,329
Interest on lease liabilities	1,724	1,569
Others interest	480	245
Subtotal	\$ 28,294	\$ 15,143
Less: Capitalized amount of assets that meet the criteria	(2,708)	-
Finance costs	\$ 25,586	\$ 15,143

(XXXIV) Income tax

1. Tax expense

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

	2023	2022
<u>Current tax</u>		
Current income tax generated	\$ 39,121	\$ -
Tax amount levied on unappropriated retained earnings	-	-
Overestimation or underestimation of income tax in previous years	(14)	(1,262)
Current total income tax	\$ 39,107	\$ (1,262)
<u>Deferred income tax</u>		
Temporary differences that originated and reversed	\$ (8,432)	\$ 2,514
Total deferred income tax	\$ (8,432)	\$ 2,514
Tax expense (income)	\$ 30,675	\$ 1,252

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

2. The adjustment of accounting income and tax expense recognized in
profit or loss for the year is as follows:

Item(s)	2023	2022
Profit before tax	\$ 180,197	\$ 150,295
Tax amount calculated at statutory tax rate based on profit before tax	\$ 36,039	\$ 30,059
Tax impact of Adjustments:		
Effect of items not included in the calculating taxable income		
Losses (gains) recognized using equity method on investments	(4,517)	12,819
Depreciation Tax Differences	(399)	(331)
Unrealized demolition losses	11,116	-
Unrealized loss (gain) from decline in value of current inventories	1,012	(1,261)
Tax-exempt income	(10,335)	(9,705)
Other Adjustments	8,697	(13,487)
Offset of losses	(2,492)	(18,094)
Net change in deferred income tax	(8,432)	2,514
Income tax adjustments on prior years	(14)	(1,262)
Tax expense recognized in profit or loss	\$ 30,675	\$ 1,252

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

In July of 2019, President of Taiwan promulgated amendments to the Industrial Innovation Act, introducing a provision whereby undistributed earnings from 2018 onwards, reinvested in specific assets or technologies

up to a certain amount, are deductible when calculating undistributed earnings. When calculating the tax on undistributed earnings, the Company has already deducted the amount of capital expenditure incurred for actual investments.

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

	2023		
	Beginning balance	Recognized in profit or loss	Ending balance
Deferred tax assets			
Temporary difference			
To-be-recognized Cement expenses	373	258	\$ 631
Impairment loss recognized in profit or loss, investment property	42,121	(42,121)	-
Impairment loss recognized in profit or loss, property, plant and equipment	2,441	4,473	6,914
Loss for market price decline and obsolete and slow-moving inventories	4,514	1,012	5,526
Unrealized demolition losses	-	11,116	11,116
Others	447	1,612	2,059
Unused loss carryforwards	22,238	(178)	22,060
Subtotal	72,134	(23,828)	48,306
Deferred tax liabilities			
Reserve for land value increment tax	(237,122)	-	\$ (237,122)
Temporary difference			
Depreciation Tax Differences	(40,878)	32,260	(8,618)
Subtotal	(278,000)	32,260	\$ (245,740)
Total	(205,866)	8,432	\$ (197,434)

	2022		
	Beginning balance	Recognized in profit or loss	Ending balance
Deferred tax assets			
Temporary difference			
To-be-recognized Cement expenses	\$ 326	47	\$ 373
Impairment loss recognized in profit or loss, investment property	40,726	1,395	42,121
Impairment loss recognized in profit or loss, property, plant and equipment	2,441	-	2,441
Investment profit recognized using the equity method	2,370	(2,370)	-
Loss for market price decline and obsolete and slow-moving inventories	5,775	(1,261)	4,514
Others	6,745	(6,298)	447
Unused loss carryforwards	19,429	2,809	22,238
Subtotal	77,812	(5,678)	\$ 72,134
Deferred tax liabilities			
Reserve for land value increment tax	\$ (237,122)	-	\$ (237,122)
Temporary difference			
Depreciation Tax Differences	(44,042)	3,164	(40,878)
Subtotal	\$ (281,164)	3,164	\$ (278,000)
Total	\$ (203,352)	(2,514)	\$ (205,866)

4. Items not recognized as deferred tax assets:

Item(s)	December 31, 2023	December 31, 2022
Deductible Temporary Differences	\$ 21,800	\$ 21,523
Offset of losses	-	17,760
Total	\$ 21,800	\$ 39,283

5. The corporate income tax of the Company's profitable business has been assessed by the tax authority up to 2021.

(XXXV) Other comprehensive income

Item(s)	2023		
	Profit before tax	Income Tax (Expense) Benefit	Net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:			
Share of profit or loss of associates and joint ventures accounted for using equity method			
Other comprehensive income	\$ 10,377	\$ -	\$ 10,377
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	189,100	-	189,100
Recognized in Other comprehensive income	\$ 199,477	\$ -	\$ 199,477

Item(s)	2022		
	Profit before tax	Income Tax (Expense) Benefit	Net of tax
Components of other comprehensive income that will not be reclassified to profit or loss:			
Share of profit or loss of associates and joint ventures accounted for using equity method			
Other comprehensive income	\$ (7,048)	\$ -	\$ (7,048)
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(19,824)	-	(19,824)
Recognized in Other comprehensive income	\$ (26,872)	\$ -	\$ (26,872)

(XXXVI) Earnings per ordinary share

Item(s)	2023	2022
A. Basic earnings per share:		
Profit	\$ 149,522	\$ 149,043
Weighted average number of shares outstanding for the current period (in thousands)	569,887	569,887
Basic earnings per share (after tax) (NTD)	\$ 0.26	\$ 0.26
B. Diluted earnings per share:		

Profit	\$	149,522	\$	149,043
Effects of potential ordinary shares with dilutive effect		-		-
Profit for the year for calculating Diluted earnings per share	\$	149,522	\$	149,043
Weighted average number of shares outstanding for the current period (in thousands)	\$	569,887	\$	569,887
Number of Impact from Employee Remuneration (Note)		359		298
Calculation of the weighted average of diluted earnings per share	\$	570,246	\$	570,185
Outstanding shares (in thousands)				
Diluted Earnings Per Share (After Tax) (NTD)	\$	0.26	\$	0.26

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

(XXXVII) Business Combination

1. Acquisition of subsidiaries

Company Name	Acquisition Date	Voting rights of ownership interests / Acquisition ratio (%)	Consideration transferred
Da Yang Construction	December 5, 2022	100%/100%	\$ 100,300

(1) Da Yang Construction Co., Ltd.: For the consideration of long-term business development, diversified investment strategy, and clear division of dominance, the Company has increased its equity in Da Yang Construction Co., Ltd., leading to an increase in the Company's shareholding in DayangDa Yang Construction Co., Ltd. from 0% to 100%.

2. Assets acquired and liabilities assumed on the acquisition date

	Da Yang Construction
Current assets	
Cash and cash equivalents	\$ 101,182
Receivables	2,434
Prepayments	558
Non-current assets	
Refundable Deposits	6
Current liabilities	
Payables	(3,913)
Contract liabilities	(669)
Identifiable net assets	<u>\$ 99,598</u>

3. Goodwill arising from acquisition (Impairment losses)

	Da Yang Construction
Current assets	\$ 100,300
Less: Fair value of identifiable net assets acquired	(99,598)
Goodwill arising from acquisition (Impairment losses)	<u>\$ 702</u>

VII. Transactions with Related Parties

(I) Parent Company and Ultimate Controlling Party:

Parent Company and Ultimate Controlling Party:

(II) Name of the related party and the relationship

Name of related parties	Relationship with the Company
Southeast Paper Manufacturing Co., Ltd.	Subsidiary
Southeast Investment Co., Ltd	Subsidiary
Southeast Topgood Resources Recycling Co., Ltd.	Subsidiary
Dong Nai Construction Co., Ltd.	Subsidiary
Da Yang Construction Co., Ltd	Subsidiary
Southeast Milo International Co., Ltd.	Subsidiary
Southeast Construction Co., Ltd.	Associates
Nan Hsia Timber Co., Ltd.	Associates
Taiwan Machinery Shipyard Co., Ltd.	Associates
Penghu Cable Television Co., Ltd.	Others related parties
Penghu Bay Co., Ltd.	Others related parties
CHC Resources Corporation	Others related parties
Baifu Investments Co., Ltd.	Others related parties
Zhengtai Cement Factory Co., Ltd.	Others related parties
Zhengtai Resource Development Co., Ltd.	Others related parties
Dong Shu Investments Co., Ltd.	Others related parties
Taiwan Concrete Industry Co., Ltd.	Others related parties
Taiwan Mixed Resource Development Co., Ltd.	Others related parties
C.S. Chen Charity Foundation	Others related parties
Tiancheng Concrete Industry Co., Ltd.	Others related parties
Dahao Enterprise Management Co., Ltd.	Others related parties
Dongyue Investment Co., Ltd.	Others related parties
Pin Yang Capital (Share) Company	Others related parties
Cheng Chen Dun-Ling	Others related parties
Li-Fei Chen	Others related parties
Mei-Yu Huang	Others related parties
Jian-Hao Chen	Others related parties
Kuan-Hua Chen	Others related parties

(III) Significant transactions with related parties

1. Operating revenue:

Item(s)	Category/Name of related parties	2023	2022
Sales revenue	Others related parties		
	Tiancheng Concrete Industry Co., Ltd.	\$ 159,772	167,232
	Others	41,106	33,675
	Subsidiary	97,397	52,777
	Total	<u>\$ 298,275</u>	<u>253,684</u>
Rental revenue	Associates	15	15
	Others related parties	172	167
	Subsidiary		
	Southeast Milo International Co., Ltd.	115,911	67,513
	Others	7,144	1,205
	Total	<u>\$ 123,242</u>	<u>68,900</u>

(1) Sales:

The Company's sales prices to the aforementioned companies are roughly equal to those of general customers, with an average collection period of about 2-3 months. It has been agreed between both parties to extend the collection within one month.

(2) Rental revenue:

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

2. Purchases:

Related party category	2023	2022
Subsidiary		
Others	\$ -	\$ 5
Others related parties		

Others	-	78
Total	\$ -	\$ 83

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

3. Contract assets: None.

4. Contract liabilities:

Category/Name of related parties	December 31, 2023	December 31, 2022
Subsidiary	\$ 1,806	\$ -

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

Item(s)	Category/Name of related parties	December 31, 2023	December 31, 2022
Notes receivable	Subsidiary	\$ 39	\$ -
Accounts receivable	Subsidiary		
	Southeast Milo International Co., Ltd.	\$ 174,870	\$ 67,397
	Southeast Topgood Resources Recycling Co., Ltd.	38,554	14,943
	Others	159	2
	Others related parties		
	Tiancheng Concrete Industry Co., Ltd.	33,186	30,852
	Others	8,910	3,807
Subtotal		\$ 255,679	\$ 117,001
Less: Loss allowance		(33)	(416)
Net		\$ 255,646	\$ 116,585
Refundable Deposits	Others related parties	\$ 6,000	\$ 6,000

The impairment loss (impairment gain and reversal of impairment loss) recognized on the aforementioned receivables due from related parties for the years 2023 and 2022 were NTD (383) thousand and NTD (2) thousand, respectively.

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

Item(s)	Related party category	December 31, 2023	December 31, 2022
Deposits received	Subsidiary		
	Southeast Milo International Co., Ltd.	\$ 24,000	\$ 24,000
	Others related parties	60	60
	Total	<u>\$ 24,060</u>	<u>\$ 24,060</u>
Other current liabilities	Subsidiary		
	Da Yang Construction Co., Ltd	-	1

7. Prepayments:

Category/Name of related parties	December 31, 2023	December 31, 2022
Others related parties		
Others	<u>\$ 2</u>	<u>\$ 2</u>

8. Property Transactions:

(1) Acquisition of financial assets:

Year 2023: None.

2022

Category/Name of related parties	Transaction object	Transaction amount
Others related parties		
Dong Shu Investments Co., Ltd.	Da Yang Construction Co., Ltd. holds 3,600 thousand shares.	40,120
Kuan-Hua Chen	Da Yang Construction Co., Ltd. holds 2,700 thousand shares.	30,090
	Total	<u>70,210</u>
Associates		
Southeast Construction Co., Ltd.	Da Yang Construction Co., Ltd. holds 2,700 thousand shares.	<u>30,090</u>

The aforementioned stock transaction price is determined by negotiating the per share net asset value of the invested company. As of December 31, 2023, the transaction price has been fully paid.

9. Lease Agreement:

(1) The acquired right-of-use assets from the lease

Account item/Category of related party/Name	Leased object	2023	2022
Acquisition of use-of-right assets			
Others related parties			
Pin Yang Capital (Share) Company	Transportation equipment	\$ 3,340	\$ -

Account item/Category of related party/Name	December 31, 2023	December 31, 2022
Lease liabilities		
Others related parties		
Zhengtai Cement Factory Co., Ltd.	\$ 7,441	\$ 61,690
Others	15,373	16,793
Total	\$ 22,814	\$ 78,483

Account item/Category of related party/Name	2023	2022
Interest expense		
Others related parties	\$ 550	\$ 831

(2) Lease expenses:

Category/Name of related parties	2023	2022
Others related parties	\$ 12	\$ 12

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

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

11. Loans to related parties:

(1) Other receivables

Year 2023: None.

Category/Name of related parties	2022	
	Ending balance	Maximum balance
Subsidiary		
Dong Nai Construction Co., Ltd.	\$ -	\$ 155,000

(2) Interest income

Category/Name of related parties	2023	2022
Subsidiary		
Dong Nai Construction Co., Ltd.	\$ -	\$ 966
Interest Rate Range	1.885%	0.975%~1.80%

12. Loans from related parties: None.

13. Endorsement Guarantee: For details regarding the contents of the endorsement guarantee provided by the company, please refer to Table 2.

14. Others

(1) Various Revenues

Category/Name of related parties	2023	2022
Associates	\$ 127	\$ 931
Others related parties	589	660
Subsidiary	-	1,437
Total	\$ 716	\$ 3,028

(2) The Company's participation in cash capital increase and the increase in investment by related parties:

2023:

Category/Name of related parties	Increase in Investment		Shareholding Ratio	
	Shares (in thousands)	Amount	Before Capital Increase	After Capital Increase
Subsidiary				
Da Yang Construction Co., Ltd	2,000	20,000	100.00%	100.00%

2022:

Category/Name of related parties	Increase in Investment		Shareholding Ratio	
	Shares (in thousands)	Amount	Before Capital Increase	After Capital Increase
Subsidiary				
Dong Nai Construction Co., Ltd.	50,000	\$ 500,000	50.00%	50.00%
Da Yang Construction Co., Ltd	9,000	100,300	-	100.00%
Southeast Milo International Co., Ltd.	5,000	50,000	-	50.00%

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

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

- (4) Conclusion of Significant Contracts: None

(IV) Key Management Compensation Information

Item(s)	2023	2022
Salaries and other short-term employee benefits	\$ 16,365	\$ 14,020
Post-employment benefits	186	392
Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	<u>\$ 16,551</u>	<u>\$ 14,412</u>

VIII. Pledged Assets

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

Item(s)	December 31, 2023	December 31, 2022
Investment property	\$ 3,234,628	\$ 2,824,470

Please refer to Note VI(XV) for the term deposit provided as performance guarantee, which is included under refundable deposits.

IX. Significant Contingent Liabilities and Unrecognised Contract Commitments

(I) As of December 31, 2023 and 2022, the Company has issued the following statements of unused letters of credit: None.

(II) As of December 31, 2023, and December 31, 2022, the Company's amounts of guarantee notes paid for loans and performance guarantees, as well as deposits received for performance guarantees are as follows:

Item(s)	December 31, 2023	December 31, 2022
Refundable Deposits of Notes payable (Notes Payable)	\$ 1,445,452	\$ 1,295,452
Deposit Received of Notes receivable (Notes Receivable)	\$ 177,547	\$ 78,444

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

Item(s)	December 31, 2023	December 31, 2022
Property, plants and equipment	\$ 844,607	\$ 58,452

(IV) The contractor of this group - Jiongde Construction Co., Ltd., demolished the unused raw material storage warehouse on April 1, 2022, but it did not collapse as planned, crushing the power tower of Taiwan Power Company and the high-voltage cable of Taiwan High Speed Rail, causing a short circuit of the high-voltage cable of Taiwan High Speed Rail, and causing losses due to the suspension of Taiwan High Speed Rail and Taiwan Railways. This group received letters from the Taiwan Railways Administration of the Ministry of Transportation and Communications and the Tainan City Government in April and June 2022, respectively, and has demanded compensation from the Company

for NTD 7,489 thousand and NTD 2,410 thousand due to the aforementioned incident. The Company has reached a consensus with the contractor - Jiongde Construction Co., Ltd., that the requests made by the Taiwan Railways Administration of the Ministry of Transportation and Communications and the Tainan City Government in accordance with the law shall be fully compensated by Jiongde Construction Co., Ltd. And the Company will also urge Jiongde Construction Co., Ltd. to deal with the relevant matters of the compensation request as soon as possible. As of March 14, 2023, Jiongde Company has completed the payment of compensation to Taiwan Railways and Tainan City Government. The Company has not received a specific compensation amount notice and request from the Taiwan High Speed Rail Company and other units.

- (V) Due to business operation considerations, the Board of Directors of the Company's Kaohsiung plant approved on May 11, 2023, to decrease the rented area of 5,318 square meters (about 1,608.7 pings) for storing raw supplies on land from Jung Tai Cement Plant (Stock) Company. The adjustment was retroactive from September 9, 2022, after both parties agreed. Both parties plan to make an additional "Lease Amendment Agreement" to adjust the rented area and rent expense. This could decrease the monthly rent expense by NTD 209 thousand. The overpaid rent expense during this period is planned to be refunded. The Company's Board of Directors approved the termination of the original lease contract and original agreement for the land rented from Cheng Tai Cement Factory Co., Ltd. on November 9, 2023. Both parties plan to establish an "additional lease agreement" to adjust the lease period and rent expenses.
- (VI) In October 2023, the Company signed a factory demolition contract with Li Jin Enterprise Co., Ltd., with a total contract price of NTD 55,580 thousand (excluding tax). Payments will be made according to the progress of the factory demolition. As of December 31, 2023, no payment has been made yet.
- (VII) The Company signed a construction contract for the Wan Nei segment with Da Yang Construction Co., Ltd in December 2023, with a total contract price of NTD 649,720 thousand (exclusive of tax). As of December 31, 2023, construction had not yet commenced.

- X. Significant Disaster Loss: None.
- XI. Significant Subsequent Events: None.
- XII. Others

(I) Capital Risk Management

The Company needs to maintain sufficient capital to support the expansion and upgrading of property, plant and equipment. Therefore, the capital management of the Company is to ensure that necessary financial resources and operational plans are available to support the operational funds and capital expenses required for the next 12 months.

(II) Financial Instruments

1. Financial risks of financial instruments

Financial risk management policy

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

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

The nature and extent of significant financial risks

- (1) Market risk

A. Exchange Rate Risk

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

ii. Exchange rate exposure and sensitivity analysis

December 31, 2023						
	Foreign currency	Exchange rate	Amounts reported (New Taiwan Dollar)	Sensitivity Analysis		
				Fluctuation range	Impact on profit and loss	Equity Impact
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD: NTD	2,668	30.705	81,936	Appreciated by 1%	819	-

December 31, 2022						
			Amounts reported (New Taiwan Dollar)	Sensitivity Analysis		
				Fluctuation range	Impact on profit and loss	Equity Impact

(Foreign currency:
functional
currency)

Financial assets

Monetary items

USD: NTD	6,318	30.71	194,047	Appreciated by 1%	1,940	-

If the value of the New Taiwan Dollar appreciates relative to the aforementioned currencies, if all other factors remain unchanged, the amounts reflected in the aforementioned currencies would have an equal but opposite impact on December 31, 2023, and 2022.

- iii. The total amounts of all Foreign exchange gains (losses) (including realized and unrealized) recognized in the years 2023 and 2022, due to significant influence of exchange rate fluctuations on the Company's monetary items, were NTD (543) thousand and NTD 17,282 thousand, respectively.

B. Price Risk

Due to the equity instruments held by the Company, the Company is exposed to the price risk of equity instruments. The Company's investments in equity instruments are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income in the consolidated balance sheet.

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

If the price of Equity increases or decreases by 1%, the after-tax profit or loss for 2023 and 2022 will respectively increase or decrease by NTD 300 thousand and NTD 180 thousand due to the rise or fall in the fair value of financial assets measured at fair value through profit or loss. The after-tax

other comprehensive income for 2023 and 2022 will respectively increase or decrease by NTD 12,011 thousand and NTD 10,184 thousand due to the rise or fall in the fair value of financial assets measured at fair value through other comprehensive income.

C. Interest Rate Risk

The Book Values of the Company's financial assets and financial liabilities exposed to interest rate risk as of the reporting date are as follows:

Item(s)	Book Value	
	December 31, 2023	December 31, 2022
With fair value interest rate risk:		
Financial assets	\$ 81,519	\$ 180,072
Financial liabilities	(1,391,566)	(2,271,103)
net	<u>\$ (1,310,047)</u>	<u>\$ (2,091,031)</u>
With cash flow interest rate risk:		
Financial assets	\$ 92,239	\$ 117,419
Financial liabilities	-	-
net	<u>\$ 92,239</u>	<u>\$ 117,419</u>

Sensitivity analysis of fair value interest rate risk

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

Sensitivity analysis of cash flow interest rate risk

The financial instruments with variable interest rates of the Company are floating rate assets (liabilities), hence the changes in market interest rates will cause changes in their effective interest rates and result in fluctuations in future cash flows. For every 1% decrease (increase) in the market interest rate, the net profit for 2023 and 2022 will respectively increase (decrease) by NTD (922) thousand and NTD 1,174 thousand.

(2) Credit Risk

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

Operating-related credit risk

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

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

Financial credit risk

The credit risk of cash in banks and other financial instruments is measured and monitored by the finance department of the Company. As the counterparties and contracting parties of the Company are all reputable banks, financial institutions with investment-grade ratings or higher, corporate entities, and government agencies, there are no significant credit risks due to their good credit standing and absence of material concerns regarding performance. In addition, the Company has no investments classified as amortized cost and investments in debt instruments designated at fair value through other comprehensive income.

A. Concentrated risk of Margin trading

As of December 31, 2023, and 2022, the accounts receivable balances from the top ten customers accounted for 86.12% and 90.94% of the total accounts receivable balances of the Company, respectively, posing a concentrated credit risk. The concentration of credit risk from the remaining accounts receivable is comparatively not significant.

B. Measurement of Expected credit losses

(A) Accounts receivable: Simplified procedure is adopted, please refer to Note VI (IV) for explanation.

(B) Basis for judging whether credit risk has significantly increased:
None. (In addition, the Company has no investments classified as amortized cost and investments in debt instruments designated at fair value through other comprehensive income.)

C. Increase in collateral held and others to mitigate the credit risk of financial assets:

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

December 31, 2023	Book Value	Decrease in maximum exposure to credit risk			
		Collateral	Net Settlement Agreement Total	Other Credit Enhancements	Total
Financial instruments with credit impairment and to which IFRS 9 impairment rules apply	- \$	-	-	\$ -	-
Financial instruments not subject to the impairment provisions of IFRS 9:					
Financial assets at fair value through profit or loss	17,996	-	-	-	-
Financial assets at fair value through other	1,201,085	-	-	-	-

comprehensiv
e income

	<u>\$ 1,219,081</u>	<u>\$</u>	<u>-</u>	<u>-</u>	<u>\$</u>	<u>-</u>	<u>-</u>

Decrease in maximum exposure to credit risk					
December 31, 2022	Book Value	Collateral	Net Settlement Agreement Total	Other Credit Enhancements	Total
Financial instruments with credit impairment and to which IFRS 9 impairment rules apply	- \$	-	- \$	-	-
Financial instruments not subject to the impairment provisions of IFRS 9:					
Financial assets at fair value through profit or loss	30,032	-	-	-	-
Financial assets at fair value through other comprehensive income	1,018,400	-	-	-	-
	<u>\$ 1,048,432</u>	<u>\$ -</u>	<u>- \$</u>	<u>-</u>	<u>-</u>

(3) Liquidity risk

A. Management of liquidity risk

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

B. Maturity Analysis of Financial Liabilities

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

December 31, 2023

Non-derivative financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash Flow	Book Value
Short-term loans	\$ 898,000	\$ -	\$ -	\$ -	\$ -	\$ 898,000	\$ 898,000
Short-term notes payable	100,000	-	-	-	-	100,000	99,957
Accounts payable	199,371	-	-	-	-	199,371	199,371
Other payables	98,079	11,502	-	-	-	109,581	109,581
Lease liabilities	17,761	16,136	26,132	73,522	287,964	421,515	393,609
Deposits received	6,623	4,903	2,650	1,130	25,025	40,331	40,331
	<u>\$1,319,834</u>	<u>\$ 32,541</u>	<u>\$ 28,782</u>	<u>\$ 74,652</u>	<u>\$ 312,989</u>	<u>\$ 1,768,798</u>	<u>\$ 1,740,849</u>

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

	Less than 1 year	1-5 years	5-10 years	10-20 years	Undiscounted total lease payments
Lease liabilities	<u>\$ 33,897</u>	<u>\$ 99,654</u>	<u>\$ 113,407</u>	<u>\$ 174,557</u>	<u>\$ 421,515</u>

December 31, 2022

Non-derivative financial liabilities	Within 6 months	7-12 months	1-2 years	2-5 years	More than 5 years	Contract Cash Flow	Book Value
Short-term loans	\$1,530,000	-	-	\$ -	\$ -	\$ 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
Deposits received	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 the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years	10-20 years	Undiscounted total lease payments
Lease liabilities	\$ 64,837	\$ 141,658	\$ 113,868	\$ 191,915	\$ 512,278

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

2. Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 94,785	\$ 121,474
Notes and accounts receivable (including related parties)	527,571	371,879
Other receivables (including related parties)	807	32,608
Other financial assets - Current	64,629	164,540
Refundable Deposits	18,130	14,834
Financial assets at fair value through profit or loss - Current	17,996	30,032
Financial Assets at Fair Value Through Other Comprehensive Income - Non-current	1,201,085	1,018,400
Financial liabilities		
<u>Financial liabilities at amortized cost</u>		
Short-term loans	898,000	1,530,000

Short-term notes payable	99,957	259,968
Notes payable and Accounts payable (including related parties)	199,371	212,855
Other payables	109,581	61,796
Lease liabilities (including within one year)	393,609	481,135
Deposits received	40,331	35,828

(III) Fair Value Information:

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

Level 1:

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

Level 2:

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

Level 3:

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

3. Financial instruments not measured at fair value:

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

4. Fair value hierarchy information:

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

Item(s)	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Bonds	\$ 17,996	\$ -	\$ -	\$ 17,996
Financial assets at fair value through other comprehensive income				
Stocks of listed companies in the country and over-the-counter market	1,051,030	-	-	1,051,030
Domestic unlisted company stocks	-	-	150,055	150,055
Total	<u>\$1,069,026</u>	<u>\$ -</u>	<u>\$ 150,055</u>	<u>\$ 1,219,081</u>

Item(s)	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Open-ended Fund	\$ 13,394	\$ -	\$ -	\$ 13,394
Bonds	16,638	-	-	16,638
Financial assets at fair value through other comprehensive income				
Stocks of listed companies in the country and over-the-counter market	868,897	-	-	868,897
Domestic unlisted company stocks	-	-	149,503	149,503
Total	<u>\$ 898,929</u>	<u>\$ -</u>	<u>\$ 149,503</u>	<u>\$ 1,048,432</u>

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

- (1) If there is an active market quotation for financial instruments, the fair value is the public quotation from the active market. The market prices announced by the Taipei Exchange and deemed as popular securities on the Government Bond Over-the-Counter Market are used as the basis for the fair value of listed (OTC) equity instruments and debt instruments with active market quotations.

If public quotes for financial instruments can be obtained promptly and frequently from exchanges, brokers, underwriters, trade unions, pricing service organizations, or competent authorities, and if the price represents actual and frequent fair market traders, then the financial instruments have

active market public quotes. If the above conditions are not met, the market is considered inactive. Generally, a large bid-ask spread, a significant increase in the bid-ask spread, or a very small trade volume, are all indicators of an inactive market.

The fair value of financial instruments held by the Company that are actively traded in the market is presented below by category and nature:

A. Listed company stocks: Closing Price.

B. Open-end Fund: Net Value.

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

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

December 31, 2023:

Item(s)	Evaluation Technology	Significant unobservable inputs	Period	Input value and fair value relationship
Financial assets at fair value through other comprehensive income - Stocks	Asset Method	1. Lack of control discount rate	18.17%	The higher the discount for control, the lower the fair value estimate.
		2. Lack of Marketability Discount Rate	24.82%	The higher the liquidity discount, the lower the estimated fair value.
Financial assets at fair value through other comprehensive income - Stocks	Market Approach	Lack of Marketability Discount Rate	17.06%~32.27%	The higher the liquidity discount, the lower the estimated fair value.

December 31, 2022:

Item	Evaluation Technology	Significant unobservable inputs	Period	Input value and fair value relationship
Financial assets at fair value through other comprehensive income - Stocks	Asset Method	1. Lack of control discount rate	18.17%	The higher the discount for control, the lower the fair value estimate.
		2. Lack of Marketability Discount Rate	24.82%	The higher the liquidity discount, the lower the estimated fair value.
Financial assets at fair value through other comprehensive income - Stocks	Market Approach	Lack of Marketability Discount Rate	17.06%~32.27%	The higher the liquidity discount, the lower the estimated fair value.

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

7. Level 3 Change Detail Table:

Item(s)	Financial assets at fair value through other comprehensive income - Unlisted stocks	Item(s)	Financial assets at fair value through other comprehensive income - Unlisted stocks
January 1, 2023	\$ 149,503	January 1, 2022	\$ 135,231
Additional purchase in this period	-	Additional purchase in this period	-
Capital reduction and return of capital for the current period	-	Capital reduction and return of capital for the current period	-
Disposal for this period	(4,314)	Disposal for this period	(542)
Recognized in Other comprehensive income	4,866	Recognized in Other comprehensive income	14,814
December 31, 2023	<u>\$ 150,055</u>	December 31, 2022	<u>\$ 149,503</u>

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

The Company classifies the fair value evaluation process into the third level by using independent source data to make the evaluation results close to the market status, and regularly reviews it to ensure the evaluation results are reasonable.

(IV) Transfer of Financial Assets: None.

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

XIII. Supplementary Disclosure

(I) Information on significant transactions:

1. Funds lent to others: see Table 1.
2. Endorsements and guarantees made for others: Table 2.
3. Marketable securities held by end of period: Table 3.
4. Marketable securities acquired and disposed of at costs or prices of at least NTD 300 million or 20% of the paid-In capital: None.
5. Acquisition of real estate properties at costs of at least NTD 300 million or 20% of the paid-In capital: None.
6. Disposal of individual real estate properties at prices of at least NTD 300 million or 20% of the paid-in capital: Table 4
7. Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital: Table 5.
8. Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital: Table 6.
9. Information about the derivative financial instruments' transaction: None.

(II) Information on reinvestment business: Table 7.

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

(IV) Information on major shareholders: Table 8.

Table 1

Southeast Cement Co., Ltd
Details of Funds Lent to Others
December 31, 2023

Unit: NTD 1,000

Number	Name of the Company lending funds to others	Counter-party	Financial Statement Account	Related party	Maximum balance for this period	Ending balance	Amount Actually Drawn	Interest Rate Range	Nature for Financing	Transactions Amounts	Reasons for financing	Provision for allowance for bad debts amount	Collateral		Financing limit for individual entities	Maximum leasing limit
													Name	Value		
0	Southeast Cement Co., Ltd.	Dong Nai Construction Co., Ltd.	Other receivables due from related parties	Yes	100,000	100,000	-	1.885%	2	-	Operating capital	-	-	-	446,180 (Note 1)	892,361 (Note 2)

Note 1: Financing limit for individual entities:

- (1) The lending amount shall not exceed the amount of business transactions with the Company in the most recent fiscal year. The term business transaction amounts refer to the total amount of sales and services provided between the two parties, and shall not exceed 5% of the current net value of our company.
- (2) Those necessary for short-term fund liaison with the Company: Up to a limit of 5% of the current net value.

Note 2: Maximum leasing limit:

- (1) Those who have business dealings with the Company: Up to a limit of 10% of the current net value.
- (2) Those necessary for short-term fund liaison with the Company: Up to a limit of 10% of the current net value.

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

- (1) Fill 1 for those who have business transactions.
- (2) Those who need short-term financing funds fill in 2.

Table 2

Southeast Cement Co., Ltd
Endorsement and guarantee for others
December 31, 2023

Unit: NTD 1,000

Number	Endorser Company Name	Object of endorsements		Endorsement and guarantee limit for a single enterprise	The maximum balance of endorsements and guarantees for the current period	Endorsement and Guarantee Balance at the End of the Period	Amount Actually Drawn	Endorsement guarantee amount secured by property	The ratio of the accumulated amount of endorsements and guarantees to the net value of the most recent financial statements	Maximum endorsement guarantee limit	Endorsements and guarantees to subsidiaries by the parent company	Endorsement guarantees by subsidiaries to parent company	Endorsements and guarantees to mainland China
		Company Name	Relationship (Note 1)										
0	Southeast Cement Co., Ltd.	Southeast Topgood Resources Recycling Co., Ltd.	2	1,784,722 (Note 2)	335,580	335,580	-	-	3.76%	3,569,444 (Note 3)	Y	-	-
1	Southeast Investment Co., Ltd	Southeast Cement Co., Ltd.	3	196,775 (Note 4)	704	704	-	-	0.11%	262,367 (Note 5)	-	Y	-

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

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

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

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

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

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

Table 3

Southeast Cement Co., Ltd
Statement of Marketable Securities Held at End of Period
December 31, 2023

Unit: Thousand shares; NTD 1,000

Company held	Types and Names of Securities	Relationship with the issuer of securities	Account Item	Equity at end of period				Remarks
				Number of shares	Book Value	Shareholding Ratio	Fair value	
Southeast Cement Co., Ltd.	Stocks - Domestic Building Materials Industry	None	Financial assets at fair value through other comprehensive income	3,356	94,479	0.28	94,479	
	Stocks - CHC Resources	The Company is the legal director of that company.	Financial assets at fair value through other comprehensive income	13,084	753,627	5.26	753,627	
	Stock - Chunghwa Telecom	None	Financial assets at fair value through other comprehensive income	360	43,200	-	43,200	
	Shares-Taiwan Cement	None	Financial assets at fair value through other comprehensive income	1,044	36,387	0.01	36,387	
	Stock - Yuanta Financial	None	Financial assets at fair value through other comprehensive income	572	15,784	-	15,784	
	Stock - TXC	None	Financial assets at fair value through other comprehensive income	80	7,888	0.03	7,888	
	Stock - Nan Dee Precision	None	Financial assets at fair value through other comprehensive income	1	13	-	13	
	Stock - China Steel	None	Financial assets at fair value through other comprehensive income	600	16,200	-	16,200	
	Stock - Hong Chuan	None	Financial assets at fair value through other comprehensive income	202	25,242	0.07	25,242	
	Shares - CSRC	None	Financial assets at fair value through other comprehensive income	354	6,908	0.04	6,908	
	Stocks - Sincere Navigation	None	Financial assets at fair value through other comprehensive income	190	4,805	0.03	4,805	
	Shares - Fubon Financial Holding	None	Financial assets at fair value through other comprehensive income	509	33,015	-	33,015	
	Shares - Yongyu	None	Financial assets at fair value through other comprehensive income	52	1,632	0.06	1,632	
	Stock -CSCC	None	Financial assets at fair value through other comprehensive income	100	11,850	0.04	11,850	
	Shares - Kaohsiung MRT	None	Financial assets at fair value through other comprehensive income	11,117	96,161	3.99	96,161	
	Shares - EnviroLink Corporation	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	2,333	40,103	16.67	40,103	
	Shares - EasyCard	The Company is the corporate director of that company.	Financial assets at fair value through other comprehensive income	3,828	13,791	3.36	13,791	
		Total			1,201,085		1,201,085	
	Bonds - Boeing Company	None	Financial assets at fair value through profit or loss	500	12,105	-	12,105	

	Bonds - Pfizer	None	Financial assets at fair value through profit or loss	200	5,891	-	5,891	
		Total			17,996		17,996	
Dong Nai Construction Co., Ltd.	Funds - Jih Sun Money	None	Financial assets at fair value through profit or loss	1,027	15,663	-	15,663	
Southeast Investment Co., Ltd	Shares - Cheng Tai Cement Factory	The chairman of the Company is also the chairman of the Company.	Financial assets at fair value through other comprehensive income	2,383	140,389	13.86	140,389	
	Shares - Taiwan Concrete	The chairman is an immediate relative within the second degree of kinship to the chairman of the Company.	Financial assets at fair value through other comprehensive income	1	41,508	4.21	41,508	
	Shares-Taiwan Implant Technology	None	Financial assets at fair value through other comprehensive income	815	4,886	4.14	4,886	
	Stock - Dushan Forest Development	None	Financial assets at fair value through other comprehensive income	3,840	33,928	8.00	33,928	
		Total			220,711		220,711	
	Funds-Cathay No. 2	None	Financial assets at fair value through profit or loss	500	8,215	-	8,215	
	Shares - Fubon Financial Holding	None	Financial assets at fair value through profit or loss	146	9,430	-	9,430	
	Stock - Formosa Chemicals and Fibre	None	Financial assets at fair value through profit or loss	17	1,080	-	1,080	
	Stock - SECOM	None	Financial assets at fair value through profit or loss	292	34,202	0.06	34,202	
	Shares-Taiwan Cement	None	Financial assets at fair value through profit or loss	2,926	101,975	0.04	101,975	
	Stock - CCH	None	Financial assets at fair value through profit or loss	30	1,745	0.01	1,745	
	Stocks - Mega Financial Holding	None	Financial assets at fair value through profit or loss	207	8,100	-	8,100	
		Total			164,747		164,747	
Southeast Paper Manufacturing Co., Ltd.	Shares - Tungnan Cement	The parent company of this corporation	Financial assets at fair value through other comprehensive income	2,113	39,722	0.37	39,722	Note
Southeast Milo International Co., Ltd.	Funds - Fubon Chi-Hsiang Money	None	Financial assets at fair value through profit or loss	2,667	42,952	-	42,952	

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

Table 4

Southeast Cement Co., Ltd
Disposal of individual real estate properties at prices of at least NTD 300 million or 20% of the paid-in capital
From January 1, 2023 to December 31, 2023

Unit: NTD 1,000

Disposal of the Company	Property Name	Trading day or the actual occurrence date	Original acquisition date	Book Value	Transaction amount	Situation of payment collection	Gain (Loss) on disposal of assets or disposal groups constituting discontinued operation	Counterparty	Relationship with the Company	Disposition Purpose	Reference Basis for Price Determination	Other Agreed Matters
Southeast Cement Co., Ltd.	Land, buildings, and equipment at No. 1081, Zhonglinzi Section, Xiaogang District, Kaohsiung City	August 31, 2023	2021.5.5	888,569	1,056,004 (Note)	Fully recovered	167,435	North Base International Corporation	—	The Company adjusts its operational strategy.	Refer to the real estate appraisal report.	None

(Note): It is the amount after necessary expenses are deducted from the contract price excluding tax.

Table 5

Southeast Cement Co., Ltd
Statement of total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital.
From January 1, 2023 to December 31, 2023

Unit: NTD 1,000

Company involved in purchase and sales	Counterparty	Relationship	Trading situation				The circumstances and reasons for the transaction conditions being different from general transactions.		Notes and accounts receivable (payable)		Remarks
			Purchase (Sales)	Amount	Proportion of purchases (sales)	Credit period	Unit price	Credit period	Balance	The ratio of total notes and accounts receivable (payable)	
Southeast Cement Co., Ltd.	Tiancheng Concrete Industry Co., Ltd.	Others related parties	Sales	159,772	7.91%	About 2-3 months	-	Equivalent	33,186	6.29%	
	Southeast Milo International Co., Ltd.	Subsidiary	Sales	115,911	5.74%	About 1 month	-	Equivalent	174,870	33.13%	

Table 6

Southeast Cement Co., Ltd

Receivables from related parties amounting to at least NTD 100 million or 20% of the paid-in capital
December 31, 2023

Unit: NTD 1,000

The Company that lists Receivables.	Name of the counterparty	Relation	Balance of receivables due from related parties	Turnover rate	Overdue receivables from related parties		Amounts Received in Subsequent Period (Note 1)	Allowance for Bad Debt
					Amount	Processing Method		
Southeast Cement Co., Ltd.	Southeast Milo International Co., Ltd.	Subsidiary	174,870	(Note 2)	-	-	25,404	-

(Note 1): As of March 14, 2024, the amount recovered.
(Note 2): As it is an item for lease equalization, it is not applicable to the calculation of turnover rate.

Table 7

Southeast Cement Co., Ltd
Details of Investments in Subsidiaries
December 31, 2023

Unit: Thousand shares; NTD 1,000

Name of investment company	Name of Investee Company	Location	Main business items	Original investment amount		Held at the end of the period			Net Income (Losses) of the Investee company	Investment income (loss) recognized	Remarks
				End of the period	the end of last year	Number of shares	ratio	Book Value			
Southeast Cement Co., Ltd.	Southeast Investments	Kaohsiung City	Securities investment	297,870	297,870	499	99.29	638,227	25,993	25,808	
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	11,361	11,361	36	31.01	74,349	4,934	1,530	
	Southeast Paper Manufacturing	Kaohsiung City	Cement Paper Bag	4,971	4,971	5	49.71	22,876	19	10	
	Nan Hsia Timber Co., Ltd.	Kaohsiung City	Wooden products	8,540	8,540	1	27.55	12,494	1,972	543	
	Tung Ni Construction	Kaohsiung City	Construction industry	790,000	790,000	79,000	100.00	782,584	(3,952)	(3,952)	
	Taiwan Machinery Shipyard Co. ,Ltd.	Kaohsiung City	Engineering industry	328,492	328,492	25,611	31.01	324,489	(3,980)	(1,235)	
	Southeast Topgood	Kaohsiung City	Waste Disposal Management	85,000	85,000	8,500	50.00	79,244	19,501	10,609	
	Southeast Milo	Kaohsiung City	Real Estate Leasing Industry	50,000	50,000	5,000	50.00	10,847	(6,568)	(8,045)	
	Da Yang Construction	Kaohsiung City	Construction industry	120,300	100,300	11,000	100.00	118,123	5,269	(2,684)	
	Subtotal							2,063,233	43,188	22,584	
	Less: Reclassification of mother company shares held by subsidiaries to treasury shares							(12,185)			
	Total							2,051,048	43,188	22,584	
Southeast Investment Co., Ltd	Penghu Cable Television	Penghu County	Cable TV	51,093	51,093	8,000	40.00	122,850	28,655	11,462	
	Penghu Bay	Penghu County	Beach	60,347	60,347	1,663	38.68	16,665	139	54	
	Southeast Construction Co., Ltd.	Kaohsiung City	Construction industry	29,381	29,381	12	10.92	30,765	4,934	492	
	Taiwan Machinery Shipyard Co. ,Ltd.	Kaohsiung City	Engineering industry	5,826	5,826	454	0.55	5,973	(3,980)	5	
	Southeast Topgood	Kaohsiung City	Waste Disposal Management	1,700	1,700	170	1.00	1,568	19,501	195	
	Southeast Milo	Kaohsiung City	Real Estate Leasing Industry	1,000	1,000	100	1.00	192	(6,568)	(66)	
	Total							178,013	42,681	12,142	

Table 8

Southeast Cement Co., Ltd
Information on Major Shareholders
December 31, 2023

Name of major shareholders	Total shares owned	Shareholding Ratio
Dong Shu Investments Co., Ltd.	80,496,816	14.07%
Taiwan Machinery Shipyard Co. ,Ltd.	49,292,761	8.62%
Evergreen Corporation Limited	40,070,010	7.01%
Fokang Cultural and Education Foundation	38,829,350	6.79%
Bai Fu Investments Co., Ltd.	36,008,148	6.30%
Southeast Cultural Foundation, a Judicial Person	33,421,803	5.84%

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

XIV. Department Information

The Company has already disclosed segment information in the consolidated financial statements; therefore it is no longer disclosed in the parent-company-only financial statements.

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Southeast Cement Co., Ltd

Statement of Cash and Cash Equivalents

December 31, 2023

Unit: NTD 1,000 / Foreign Currency

Item(s)	Description	Amount	Remarks
Cash	Cash on hand	\$ 138	
	Working Capital	165	
Sub-total of Cash		\$ 303	
Cash in Banks	Checking account deposits	\$ 3,349	
	Demand deposits	90,713	
	Foreign currency deposits	420 HKD 1 ; USD 14	
Sub-total of Cash in Banks		\$ 94,482	
Total		\$ 94,785	

December 31, 2023

Foreign Exchange
Rate for US
Dollar
1 :30.705

Foreign Exchange
Rate for Hong
Kong Dollar
1 :3.929

Southeast Cement Co., Ltd

Detail Statement of Financial Assets at Fair Value through Profit or Loss - Current Statement

December 31, 2023

Unit: Thousand shares; NTD 1,000

Financial instrument	Description	Number of shares or units	Acquisition Cost	Fair value		Remarks
				Unit price	Total	
Pfizer Inc.	Bonds	200	\$ 6,952	0.9594	\$ 5,891	
The Boeing Company	Bonds	500	15,351	0.78848	12,105	
Total			<u>\$ 22,303</u>		<u>\$ 17,996</u>	

Southeast Cement Co., Ltd
Statement of Notes Receivable
December 31, 2023

Unit: NTD 1,000

Subject	Description	Amount	Remarks
Company A	Promissory Note	\$ 46,978	
Company B	Promissory Note	45,360	
Company C	Promissory Note	31,680	
Company D	Promissory Note	18,102	
Company F	Promissory Note	14,693	
Company E	Promissory Note	13,703	
Others	(Aggregate Below 5%)	62,868	
Total Accounts Receivable			
- General		\$ 233,384	
Less: Loss allowance		(187)	
Net Accounts Receivable -			
General		\$ 233,197	
Dong Nai Construction Co.,	Promissory Note	39	
Ltd.			
Notes receivable, net		\$ 233,236	

Southeast Cement Co., Ltd
Statement of Accounts Receivable
December 31, 2023

Unit: NTD 1,000

Subject	Description	Amount	Remarks
Company A	Accounts Receivable	5,219	
Company B	Accounts Receivable	4,550	
Company C	Accounts Receivable	4,088	
Company D	Accounts Receivable	3,004	
Company F	Accounts Receivable	2,401	
Company E	Accounts Receivable	2,328	
Others	(Aggregate Below 5%)	17,130	
Total Accounts Receivable - General		\$ 38,720	
Less: Loss allowance		(31)	
Net Accounts Receivable - General		\$ 38,689	
Southeast Topgood Resources Recycling Co., Ltd.	Accounts Receivable	\$ 38,554	
Tiancheng Concrete Industry Co., Ltd.	Accounts Receivable	33,186	
Southeast Milo International Co., Ltd.	Accounts receivable from rental Income	174,870	
Others	Accounts Receivable	9,069	
Total Accounts Receivable - Related Parties		\$ 255,679	
Less: Loss allowance		(33)	
Net Accounts Receivable - Related Parties		\$ 255,646	
Accounts receivable, net		<u>\$ 294,335</u>	

Southeast Cement Co., Ltd

Statement of Inventories

December 31, 2023

Unit: NTD 1,000

Item(s)	Description	Amount		Remarks
		Cost	Net realizable value	
Manufacturing Department:				
Primary fuel	Water quenched furnace slag etc.	\$ 3,686	\$ 3,666	
Supplies	Packaging equipment and consumables, etc.	45	45	
Finished goods	Work in progress	26,285	27,903	
Total inventory - Manufacturing department		\$ 30,016	\$ 31,614	
Construction Division:				
Land construction	Land construction	359,125	439,632	
Total inventory - Construction department		\$ 359,125	\$ 439,632	
		\$ 389,141	\$ 471,246	

Southeast Cement Co., Ltd
Other financial assets - Current Statement
December 31, 2023

Unit: NTD 1,000 / Foreign Currency

Item(s)	Description	Amount	Remarks
Bank of Kaohsiung	Time deposits with an original maturity of over 3 months	\$ 1,107	
	Time deposits with an original maturity of over 3 months	16,259	USD 530
Chang Hwa Commercial Bank	Time deposits with an original maturity of over 3 months	15,352	USD 500
Hua Nan Commercial Bank	Time deposits with an original maturity of over 3 months	31,911	USD 1,039
Total		<u>\$ 64,629</u>	

USD exchange rate as of December 31, 2023: 1 : 30.705

Southeast Cement Co., Ltd

Details of changes in financial assets measured at fair value through other comprehensive income - non-current

From January 1, 2023 to December 31, 2023

Unit: Thousand shares; NTD 1,000

Name	Beginning balance		Increase in this period		Decrease in the current period		Ending balance		Collateral or pledging arrangements provided	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount		
Goldsun		\$		\$		\$		\$		
Building Materials	3,432	86,665	-	9,916	76	2,102	3,356	94,479	None	
CHC Resources	13,084	601,855	-	151,772	-	-	13,084	753,627	None	
Chunghwa Telecom	360	40,680	-	2,520	-	-	360	43,200	None	
TCC	1,044	35,134	-	1,253	-	-	1,044	36,387	None	
Yuanta Financial	563	12,226	9	3,558	-	-	572	15,784	None	
TXC	80	6,616	-	1,272	-	-	80	7,888	None	
Nan Dee Precision	1	13	-	-	-	-	1	13	None	
China Steel	600	17,880	-	-	-	1,680	600	16,200	None	
CSRC	354	6,890	-	18	-	-	354	6,908	None	
Hong Chuan	202	17,569	-	7,673	-	-	202	25,242	None	
Sincere Navigation	190	3,791	-	1,014	-	-	190	4,805	None	
Fubon Financial Holding	485	27,318	24	5,697	-	-	509	33,015	None	
Yongyu	52	1,710	-	-	-	78	52	1,632	None	
CSCC	100	10,550	-	1,300	-	-	100	11,850	None	
Kaohsiung MRT	11,117	89,371	-	6,790	-	-	11,117	96,161	None	
Yuhua Venture Capital	20	272	-	-	20	272	-	-	None	
Chung Hwa Chinese Products	15	1,377	-	2,737	15	4,114	-	-	None	
EnviroLink Corporation	2,333	41,824	-	-	-	1,721	2,333	40,103	None	
EasyCard	3,828	16,659	-	-	-	2,868	3,828	13,791	None	
Total		\$		\$		\$		\$		
		1,018,400		195,520		12,835		1,201,085		

Description

1. Increase for the period of NTD 195,520 thousand, representing unrealized valuation gains of NTD 195,520 thousand for the period.
2. Decrease for the period of NTD 12,835 thousand, comprising NTD 6,415 thousand for disposals and offsetting reversals and NTD 6,420 thousand for unrealized losses on financial asset valuations for the period.

Southeast Cement Co., Ltd

Statement of Changes in Long-term Equity Investments Accounted for Using the Equity Method
From January 1, 2023 to December 31, 2023

Unit: Thousand shares; NTD 1,000

Name	Beginning balance		Increase in this period		Decrease in the current period		Ending balance			Market price or equity value		Collateral or pledging arrangements provided	Remarks
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding Ratio	Amount	Unit price	Total		
Southeast Investment Co., Ltd	499	\$ 608,462		-\$ 29,765		-\$ -	499	99.29	\$ 638,227	1,305.69	\$ 651,539	None	
Southeast Construction Co., Ltd.	36	72,759	-	1,590	-	-	36	31.01	74,349	2,370.47	85,337	None	
Southeast Topgood Resources Recycling Co., Ltd.	8,500	68,635	-	10,609	-	-	8,500	50.00	79,244	9.22	78,370	None	
Southeast Paper Manufacturing Co., Ltd.	5	22,761	-	115	-	-	5	49.71	22,876	6,123.06	30,615	None	
Nan Hsia Timber Co., Ltd.	1	11,951	-	543	-	-	1	27.55	12,494	14,085.24	14,085	None	
Dong Nai Construction Co., Ltd.	79,000	786,536	-	-	-	3,952	79,000	100.00	782,584	9.91	782,890	None	
Taiwan Machinery Shipyard Co. ,Ltd.	25,611	319,364	-	6,359	-	1,234	25,611	31.01	324,489	14.82	379,555	None	
Southeast Milo International Co., Ltd.	5,000	18,892	-	-	-	8,045	5,000	50.00	10,847	1.92	9,600	None	
Da Yang Construction Co., Ltd	9,000	100,807	2,000	25,269	-	7,953	11,000	100.00	118,123	11.46	126,060	None	
Total		\$2,010,167		\$ 74,250		\$ 21,184			\$2,063,233		\$2,158,051		
Less: Subsidiaries holding shares of the parent company		(12,185)		-		-			(12,185)		(12,185)		
Shares reclassified as treasury stock													
Net amount of long-term investments		\$1,997,982		\$ 74,250		\$ 21,184			\$2,051,048		\$2,145,866		

- (1) Market price or equity value: Based on the audited financial statements for the year ended 2023 by the auditor.
- (2) Increase for the period of NTD 74,250 thousand, comprising recognized equity method investment income of NTD 43,768 thousand, cash dividends received by subsidiaries from the parent company transferred to capital surplus of NTD 105 thousand, other comprehensive income of NTD 10,377 thousand, and cash capital increase of NTD 20,000 thousand.
- (3) Decrease for the period of NTD 21,184 thousand, representing recognized equity method investment losses.

Southeast Cement Co., Ltd
Statement of Short-term Loans
December 31, 2023

Unit: NTD 1,000

Creditors	Description	Ending balance	Contract term	Financing amount	Collateral or guarantee	Remarks
Mega						
International Commercial Bank	Credit loans	\$ 40,000	20231208-20240105	100,000	None	
Bank of Taiwan	Mortgage loans	100,000	20231204-20240301	800,000	Land	
Bank of Taiwan	Mortgage loans	300,000	20231208-20240105	800,000	Land	
Bank of Taiwan	Mortgage loans	48,000	20231220-20240119	800,000	Land	
Bank of Kaohsiung	Mortgage loans	160,000	20231213-20240112	500,000	Land	
Hua Nan Commercial Bank	Credit loans	170,000	20231208-20240105	500,000	None	
Yuanta Bank	Credit loans	80,000	20231114-20240207	80,000	None	
Total		<u>\$ 898,000</u>				
Ending interest rate range		<u>1.65%-1.82%</u>				

Southeast Cement Co., Ltd
Statement of Short-term Notes Bills Payable
December 31, 2023

Unit: NTD 1,000

Item(s)	Accepting Institution	Contract term	Issuance Amount	Discount on Bills	Book Value	Collateral or guarantee
Financing Commercial Paper	Chunghwa Bills Finance Corp.	20231207-20240105	\$ 30,000	\$ (5)	\$ 29,995	
Financing Commercial Paper	Mega International Commercial Paper Co., Ltd.	20231220-20240109	30,000	(11)	29,989	
Financing Commercial Paper	Mega International Commercial Paper Co., Ltd.	20231227-20240116	40,000	\$ (27)	39,973	
Total			<u>\$ 100,000</u>	<u>\$ (43)</u>	<u>\$ 99,957</u>	
Interest Rate Range					<u>1.758%-1.798%</u>	

Southeast Cement Co., Ltd
Contract Liabilities - Current Statement
December 31, 2023

Unit: NTD 1,000

Subject	Description	Amount	Remarks
Company A	To-be-recognized Cement expenses	\$ 17,433	
Company B	To-be-recognized Cement expenses	8,664	
Company C	To-be-recognized Cement expenses	4,109	
Company D	To-be-recognized Cement expenses	2,253	
Others	Total Below 5%	13,027	Including Related Parties 1,806
Total		<u>\$ 45,486</u>	

Southeast Cement Co., Ltd
Statement of Accounts Payable
December 31, 2023

Unit: NTD 1,000

Subject	Description	Amount	Remarks
Company A	Accounts Payable	\$ 187,152	
Others	(Aggregate Below 5%)	12,219	
Accounts Payable - General		\$ 199,371	
Subtotal			

Southeast Cement Co., Ltd
Statement of Other Liabilities
December 31, 2023

Unit: NTD 1,000

Item(s)	Description	Amount	Remarks
Collections on Behalf	Collected Taxes, etc.	\$ 498	
Temporary Receipts	Temporary Receivables, etc.	339	
Total		<u>\$ 837</u>	

Southeast Cement Co., Ltd
Statement of Net Revenue
2023

Unit: NTD 1,000

Item(s)	Quantity (Metric Tons)	Amount	Remarks
Cement and Slag, etc.	704,209.21	\$ 1,851,845	
Current raw materials		6,810	
Less: Sales Returns and Allowances		-	
Net Sales		\$ 1,858,655	
Rental revenue		160,121	
Total		\$ 2,018,776	

Southeast Cement Co., Ltd
Statement of Cost of Revenue
2023

Unit: NTD 1,000

Item(s)	2023
Beginning Inventory of Materials	\$ 23,686
Add: Materials Purchased this Period	84,697
Inventory Gain	27,701
Less: Ending Inventory of Materials	4,063
Sales	7,855
Others	104
Materials Used	\$ 124,062
Beginning Inventory of Materials	\$ 69,818
Add: Materials Purchased this Period	45,823
Less: Ending Inventory of Materials	45
Sales	62,614
Expense Transfer	37,924
Transfer to Property, Plant, and Equipment	2,695
Others	4,018
Material Consumption	\$ 8,345
Direct Labor	8,104
Manufacturing Expenses	186,266
Manufacturing Costs	\$ 326,777
Add: Beginning inventory of work in process	4,057
Purchase in work in process	714,789
Less: Inventory loss	3,462
Cost of finished goods	\$ 1,042,161
Add: Beginning inventory of finished goods	98,694
Purchase in finished goods	530,819
Less: Ending inventory of finished goods	53,538
Cost of finished goods sold	\$ 1,618,136
Cost Adjustment Items	
Other Adjustments - Excise Taxes, Packaging Fees, and Freight	99,191
Cost of Goods Manufactured and Sold	\$ 1,717,327
Lease Costs	48,776
Cost of Goods Sold for Raw Materials	7,855
Cost of Goods Sold for Materials	62,614
Inventory Obsolescence Loss	105
Inventory Gain	(24,239)
Unamortized manufacturing expenditures	36,934
Inventory Impairment Loss	5,061
Operating Costs	\$ 1,854,433

Southeast Cement Co., Ltd
Statement of Manufacturing Expenses
From January 1, 2023 to December 31, 2023

Unit: NTD 1,000

Item(s)	2023
Indirect Labor	\$ 22,937
Utilities	57,078
Depreciation	38,759
Rent Expenses	67,331
Unamortized manufacturing expenditures	(35,454)
Other Expenses (Note)	35,615
Total	<u>\$ 186,266</u>

Note: Each item’ s balance does not exceed 5% of this account
mount.

Southeast Cement Co., Ltd
Sales Expense Detailed Statement
From January 1, 2023 to December 31, 2023

Unit: NTD 1,000

Item(s)	2023
Salary Expenses	\$ 2,940
Freight	8,490
Other Expenses (Note)	3,259
Total	\$ 14,689

Note: Each item’ s balance does not exceed 5% of this account
mount.

Southeast Cement Co., Ltd
Administrative Expense Detailed Statement
From January 1, 2023 to December 31, 2023

Unit: NTD 1,000

Item(s)	2023
Salary Expenses	\$ 34,393
Depreciation	31,747
Other Expenses (Note)	27,659
Total	<u>\$ 93,799</u>

Note: Each item' s balance does not exceed 5% of this account mount.

VI. If the company or its affiliates have experienced financial difficulties, the impact on the financial status of the company: None.

Chapter VII Review and analysis of the financial status and financial performance and risks management

I. Comparative Analysis of Financial Status

1. Consolidated Financial Status

Unit: NT\$1,000

Year Item	2022	2023	Difference	
			Amount	%
Current assets	2,486,102	2,485,708	(394)	(0.02)
Non-current assets	9,503,587	9,335,854	(167,733)	(1.76)
Total Assets	11,989,689	11,821,562	(168,127)	(1.40)
Current liabilities	2,381,025	1,740,711	(640,314)	(26.89)
Non-current liabilities	881,996	1,055,613	173,617	19.68
Total liabilities	3,263,021	2,796,324	(466,697)	(14.30)
Share capital	5,720,008	5,720,008	0	0.00
Capital surplus	188,583	188,688	105	0.06
Retained earnings	2,211,351	2,303,476	92,125	4.17
Other equity interests	523,949	723,623	199,674	38.11
Treasury shares	(12,185)	(12,185)	0	0.00
Total equity	8,726,668	9,025,238	298,570	3.42
Description of Changes in the Increase/Decrease Percentage: (changes of 20% or above)				
(1) Decrease in current liabilities: Mainly due to the reduction of short-term loans and short-term notes payable.				
(2) Other equity interests increase: mainly due to the increase in unrealized valuation gains (losses) from equity instrument investments measured at fair value through other comprehensive income.				

2. Individual Financial status

Unit: NT\$1,000

Year Item	2022	2023	Difference	
			Amount	%
Current assets	1,268,230	1,104,795	(163,435)	(12.89)
Non-current assets	10,244,752	9,892,617	(352,135)	(3.44)
Total Assets	11,512,982	10,997,412	(515,570)	(4.48)
Current liabilities	2,146,610	1,424,160	(722,450)	(33.66)
Non-current liabilities	734,666	649,642	(85,024)	(11.57)
Total liabilities	2,881,276	2,073,802	(807,474)	(28.02)
Share capital	5,720,008	5,720,008	0	0
Capital surplus	188,583	188,688	105	0.06
Retained earnings	2,211,351	2,303,476	92,125	4.17
Other equity interests	523,949	723,623	199,674	38.11
Treasury shares	(12,185)	(12,185)	0	0
Total equity	8,631,706	8,923,610	291,904	3.38
Description of Changes in the Increase/Decrease Percentage: (changes of 20% or above)				
(1) Decrease in current liabilities: Mainly due to the reduction of short-term loans and short-term notes payable.				
(2) Total liabilities decreased: Refer to Description 1 above.				
(3) Increase in Other equity interests: mainly due to the increase in unrealized evaluation (loss) gains from investments in equity instruments measured at fair value through other comprehensive income.				

II. Comparative Analysis of Financial Performance

1. Consolidated Financial Analysis

Unit: NT\$1,000

Item \ Year	2022	2023	Increase (Decrease) amount	Variable ratio %
Net operating revenues	1,794,015	2,273,518	479,503	26.73
Operating costs	1,672,736	2,069,639	396,903	23.73
Gross profit	121,279	203,879	82,600	68.11
Operating expenses	152,778	144,501	(8,277)	(5.42)
Operating profit	(31,499)	59,378	90,877	288.51
Non-operating income and expenses	141,176	127,998	(13,178)	(9.33)
Profit before income tax	109,677	187,376	77,699	70.84
Income tax expense	1,553	31,323	29,770	1,916.93
(profit)	108,124	156,053	47,929	44.33
Profit for the year	(26,916)	199,506	226,422	841.22
Comprehensive income (net amount)				
Total comprehensive income for the year	81,208	355,559	274,351	337.84
Description of Changes in the Increase/Decrease Percentage: (changes of 20% or above)				
(1) Increase in operating revenue: Mainly due to the increase in the quantity and selling price of the Company's cement and blast-furnace slag etc., which led to an increase in revenue, the increase in sales revenue from the Subsidiary Southeast Topgood, and the increase in leasing revenue from Southeast Milo.				
(2) Increase in operating costs: It is mainly due to the rise in the cost of cement and blast-furnace slag of the Company, an increase in the sales cost of Subsidiary's Southeast Topgood, and increase in lease costs of Southeast Milo.				
(3) Increase in gross profit: Mainly due to the increase in gross profit to Subsidiaries of Southeast Topgood and the increase in rental gross profit of Southeast Milo International Co., Ltd.				
(4) Operating profit increase: Mainly due to the increase in gross profit to Subsidiaries and the reduction of operating expenses.				
(5) Increase in profit before income tax: Refer to the above Description (1) ~ (4).				
(6) Increase in income tax expense: Mainly due to the increase in income tax generated in the current period of 2023.				
(7) Increase in other comprehensive income: Mainly due to the increase in unrealized valuation gains and losses caused by the rise in stock prices of equity instrument investments measured at fair value through other comprehensive income.				
(8) Increase in total comprehensive income for the year: Same as above (5) and (7) description.				

2. Individual Financial Analysis

Unit: NT\$1,000

Item \ Year	2022	2023	Increase (Decrease) amount	Change (%)
Net operating revenues	1,701,471	2,018,776	317,305	18.65
Operating costs	1,535,269	1,854,433	319,164	20.79
Gross profit	166,202	164,343	(1,859)	(1.12)
Operating expenses	114,504	105,223	(9,281)	(8.11)
Operating profit	51,698	59,120	7,422	14.36
Non-operating income and expenses	98,597	121,077	22,480	22.80
Profit before income tax	150,295	180,197	29,902	19.90
Income tax expense	1,252	30,675	29,423	2,350.08
(profit)	149,043	149,522	479	0.32
Profit for the year	(26,872)	199,477	226,349	842.32
Comprehensive income (net amount)				
Total comprehensive income for the year	122,171	348,999	226,828	185.66
Description of Changes in the Increase/Decrease Percentage: (changes of 20% or above)				
(1) Increase in operating costs: Mainly due to the rise in the cost of cement and blast-furnace slag of The Company.				
(2) Increase in non-operating income and expenses: Mainly due to the increased share of losses from subsidiaries, associates, and joint ventures recognized under the equity method, and the increased gains from the disposal of non-current assets held for sale.				
The rest is the same as the consolidated financial analysis.				

III. Cash Flow Analysis

(1) Analysis of the liquidity for the recent two years:

1. Consolidated liquidity analysis

Item \ Year	2022	2023	Increase (Decrease) (%)
Cash flow ratio	-11.62	15.85	236.40
Cash flow adequacy ratio	11.14	17.14	53.86
Cash reinvestment ratio	-8.45	4.49	153.14
Analysis of the Changes in Increase/Decrease Ratio: The increase in cash flow ratio, cash reinvestment ratio, and cash flow adequacy ratio is mainly due to the increased net cash inflow from operating activities in 2023.			

2. Individual Liquidity Analysis

Item \ Year	2022	2023	Increase (Decrease) (%)
Cash flow ratio	13.94	21.47	54.02
Cash flow adequacy ratio	60.92	63.03	3.46
Cash reinvestment ratio	4.14	5.58	34.78
Analysis of the Changes in Increase/Decrease Ratio: The increase in cash flow ratio, cash reinvestment ratio, and cash flow adequacy ratio is mainly due to the increased net cash inflow from operating activities in 2023			

(2) Cash liquidity analysis for the coming year:

Cash balance at the beginning of the period (1)	Net cash inflow from operating activities for the whole year (2)	Net cash outflow for the whole year (3)	Estimated cash balance (shortfall) (1)+(2)-(3)	Remedies for cash shortfall	
				Investment plan	Financial Planning
94,785	115,815	125,940	84,660	None	None
1. Analysis of changes in cash flow for this year: (1) Operating activities: The demolition cost of the Kaohsiung factory for this Year is NT\$(55,580,000), with a net cash inflow of NT\$115,815,000. (2) Investment and financing activities: The cash outflow is expected to be NT\$(125,940,000) this year due to the planned distribution of cash dividends, directors' remunerations, and employees' remunerations. 2. Remedies for expected insufficient cash and analysis of liquidity: Not applicable.					

- IV. Major Capital Expenditure Items and Impact on Finance and Business in the Recent Year: None.**
- V. Reinvestment Policy in the Most Recent Year, Main Reasons for Profit or Loss, Improvement Plan and Investment Plan for the Coming Year: The Company has not experienced this situation in recent years, and there are no planned future research and development plans and expected research and development costs.**
- VI. Risk Management**
- (1) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future for the Year 2023:
1. Interest rate:
 - (1-) In 2023, the Company adjusted its operational strategy by selling land, structures, and equipment at Lot 1081, Zhonglinzi Section, Xiaogang District, to cover the funding shortfall. However, due to rising borrowing rates, the annual interest cost was approximately NT\$23,382 thousand, accounting for 15.64% of the net profit for the period.
 - (2-) Future Measures: Given the Company's ongoing borrowing needs in 2024, and the anticipated half-percentage-point increase in the New Taiwan Dollar interest rate, the impact on the Company's profit and loss is expected to be minimal.
 2. Exchange rate:
 - (1-) In 2023, the USD to NTD exchange rate remained stable. The Company reduced its USD holdings to repay loans, resulting in an exchange loss of approximately NT\$540 thousand.
 - (2-) Future Measures: The expected increase in the USD to NTD exchange rate in 2024 is anticipated to be beneficial for the Company's profitability.
 3. Inflation:
 - (1-) The procurement prices for clinker and raw materials increased in 2023, raising production costs.
 - (2-) Future Measures: It is anticipated that cement prices will rise in 2024, passing the increased costs onto consumers.
- (2) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions in 2023, main reasons

for gain or loss, and future countermeasures:

1. In terms of high-risk, high-leverage investments:
 - (1-) No high-risk, high-leverage investments were undertaken in 2023.
 - (2-) Future Measures: High-risk, high-leverage investments are not anticipated for 2024.
 2. Lending funds to others:
 - (1-) On November 9, 2023, the Board of Directors approved a loan of NT\$100 million to the company's wholly-owned subsidiary, Dong Nai Construction Co., Ltd., which remained undrawn as of the end of 2023.
 - (2-) Future Measures: The Company has bank financing facilities available up to NT\$2.5 billion, sufficient to provide Dong Nai Construction Co., Ltd. with the NT\$100 million loan required in 2024. Should Dong Nai Construction Co., Ltd. draw on the loan, it is expected that the subsidiary will begin selling completed construction projects in 2024 and will be capable of repaying the loan.
 3. Endorsements and Guarantees:
 - (1-) On March 14, 2023, the Board of Directors approved an endorsement guarantee of NT\$335.58 million for Southeast Topgood Resources Recycling Co., Ltd., a subsidiary in which the company holds a 51% direct and indirect stake.
 - (2-) Future Measures: Southeast Topgood Resources Recycling Co., Ltd. is a subsidiary with 51% direct and indirect ownership, with its chairman appointed by the Company, and its finances managed by personnel from the Company's finance department. The subsidiary returned to profitability in 2023, indicating that its credit risk is within manageable limits.
 4. Derivatives transactions:
 - (1-) There were no forward US dollar derivative transactions booked in advance for the year 2023.
 - (2-) Future Countermeasure: It is expected that there will be no forward purchase of US dollar derivative transactions in 2024.
- (3) Research and development plans for 2023, current progress of uncompleted R&D projects, further funding needed for R&D, estimated time to complete mass production, major factors that might impact the success of future R&D:

1. R&D plan in 2023: None.
 2. Current progress of unfinished research and development plans: None.
 3. Further expenditures required for research and development work: None.
 4. Expected production quantity completion time: None.
 5. Main factors affecting the success of future research and development: None.
- (4) Effect on the company's finance and business of important policies adopted and changes in the legal environment at home and abroad in 2023, and measures to be taken in response: None.
- (5) Effect on the company's financial operations of developments in science and technology as well as industrial change in 2023, and measures to be taken in response:
1. The Company established the "Information Security Management Committee" in 2022 to promote and implement cyber security related affairs, reducing internal security risks, including setting up firewalls, antivirus software, email control, data backup and restoration, etc., to minimize the threat of ransomware attacks.
The Company's main business and revenue are related to cement manufacturing, resource regeneration, and construction business, all of which belong to the traditional manufacturing industry with little industry changes.
 2. Future Countermeasure: It is anticipated that in 2024, the Company will continue to strengthen and improve its ISMS policy by engaging a third-party cybersecurity expert, in order to implement the confidentiality, integrity, and availability of the Company's information assets.
- (6) Effect on the company's crisis management of changes in the company's corporate image in 2023, and measures to be taken in response: None.
- (7) Expected benefits, possible risks and countermeasures associated with any merger and acquisitions: None.
- (8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.
- (9) Risks associated with any consolidation of sales or purchasing operations and Countermeasure: None.
- (10) Risk to, effects on, and countermeasures of the Company of any transfer of equity interests and/or pledge of or change in equity interests in large quantity by a Director, Supervisor, or shareholder with a stake of more than 10 percent:

None.

(11) Effect on, risk of, and countermeasures for the company due to change of control: None.

(12) Litigation and non-litigation events: None.

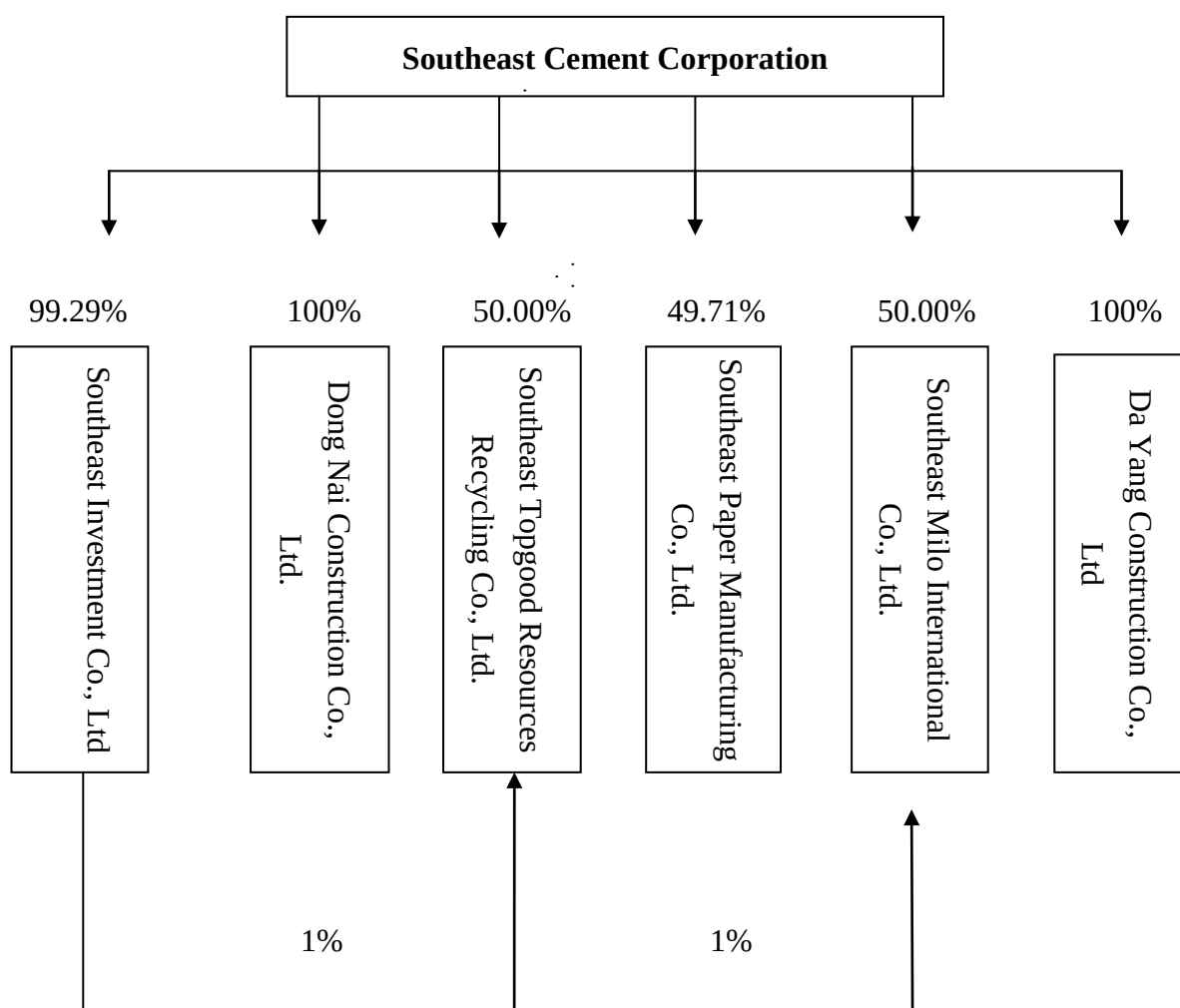
(13) Other key risks and countermeasures: None.

VII. Other Matters of Materiality: None.

Chapter VIII Special Matters

I. Information on affiliates

(1) Affiliated enterprise organizational chart:



(2) Relationship among each affiliates:

Unit: NT\$1,000

Enterprise name	Date of incorporation	Address	Paid-in Capital	Main operations or production items
Southeast Investment Co., Ltd	October 4, 1988	Address: 5F-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	502,355	Securities Investment Business
Southeast Topgood Resources Recycling Co., Ltd.	March 8, 2019	Address: 5F-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	170,000	Resource Recycling Industry
Dong Nai Construction Co., Ltd.	May 30, 2014	Address: 5F-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	790,000	Residential and Building Development Leasing and Selling Industry
Southeast Paper Manufacturing Co., Ltd.	November 24, 1966	Address: 5F-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	10,000	Paper Manufacturing Industry, etc.
Southeast Milo International Co., Ltd.	April 25, 2022	Address: 5F-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	100,000	Real Estate Leasing Industry
Da Yang Construction Co.,Ltd (Note 1)	June 12, 1976	Address: 5F-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City	110,000	Construction industry

Note 1: Da Yang Construction Co., Ltd.'s capital increase was approved on December 15, 2023.

(3) Information on directors, supervisors and managerial officers of affiliates:

unit: shares; %

Enterprise name	Title	Name or representative	Shareholding	
			No. of Shares	%
Southeast Investment Co., Ltd	Chairman	Southeast Cement Co., Ltd Min-Tuan Chen	498,780	99.29
	Director	Southeast Cement Co., Ltd, Kuan-Hua Chen	498,780	99.29
	Director	Southeast Cement Co., Ltd Yan-Hui Wu	498,780	99.29
	Director	Southeast Cement Co., Ltd Yu-Juan Huang	498,780	99.29
	Supervisor	Tong Shu Investments Corp. Zhong-Jie Zhao	597	0.12
	President	Min-Tuan Chen	0	0
Dong Nai Construction Co., Ltd.	Chairman	Southeast Cement Co., Ltd Min-Tuan Chen	79,000,000	100.00
	Director	Southeast Cement Co., Ltd Jung-Tsung Tang	79,000,000	100.00
	Director	Southeast Cement Co., Ltd Zhong-Jie Zhao	79,000,000	100.00
	Director	Southeast Cement Co., Ltd, Kuan-Hua Chen	79,000,000	100.00
	President			
	Supervisor	Southeast Cement Co., Ltd Hsin-Han Huang	79,000,000	100.00
Southeast Paper Manufacturing Co., Ltd.	Chairman	Tian-Chi Chen	82	0.82
	Director	Southeast Cement Co., Ltd Min-Tuan Chen	4,971	49.71
	Director	Tong Shu Investments Corp. Kuan-Hua Chen	159	1.59
	Director	Yan-Pu Chen	148	1.48
	Director	Shu-Yuan Lin	82	0.82
	Director	Zhengli Cement Factory Co., Ltd. Li-Xiang Zheng	628	6.28
	Director	Zhao Bosheng	41	0.41
	Supervisor	Fu Hsing Co., Ltd. Lai-Kun Wu	415	4.15
	Supervisor	Yu-Tsai Chen	157	1.57
	President	Min-Tuan Chen	0	0
Southeast Topgood Resources Recycling Co.,	Chairman	Southeast Cement Co., Ltd Min-Tuan Chen	8,500,000	50.00
	Director	Southeast Cement Co., Ltd, Kuan-Hua Chen	8,500,000	50.00

Enterprise name	Title	Name or representative	Shareholding	
			No. of Shares	%
Ltd.	Director	Southeast Cement Co., Ltd. Chang-Li Kuo	8,500,000	50.00
	Director	Gao Liang Investment Development Co., Ltd.	8,330,000	49.00
	President	Jun-Long He		
	Director	Gao Liang Investment Development Co., Ltd. Yan-Xing He	8,330,000	49.00
	Supervisor	Southeast Investment Co., Ltd Hsin-Han Huang	170,000	1.00
	Supervisor	Hsiu-Chin Kuo	0	0
Southeast Milo International Co., Ltd.	Chairman	Southeast Cement Co., Ltd, Kuan-Hua Chen	5,000,000	50.00
	Director	Southeast Cement Co., Ltd Min-Tuan Chen	5,000,000	50.00
	Director	Southeast Cement Co., Ltd Jing-Qing Liang	5,000,000	50.00
	Director	Wangmilele International Investment Co., Ltd. Ru-Shan Wei	4,900,000	49.00
	Director	Wangmile International Investment Co., Ltd. Chao-Yi, Yu	4,900,000	49.00
	Supervisor	Southeast Investment Co., Ltd Hsin-Han Huang	100,000	1.00
	President	Pin-Teng Chen	0	0
Da Yang Construction Co.,Ltd	Chairman	Southeast Cement Co., Ltd Li-Ying Luo	11,000,000	100.00
	Director	Southeast Cement Co., Ltd Min-Tuan Chen	11,000,000	100.00
	Director	Southeast Cement Co., Ltd, Kuan-Hua Chen	11,000,000	100.00
	Supervisor	Southeast Cement Co., Ltd Ying-Chen Yeh	11,000,000	100.00
	President	Jing-Qing Liang	0	0

Operating Highlights of affiliates:

Unit: NT\$1,000

Enterprise name	Capital	Total Assets	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	After-tax profit or loss for the period	Earnings per share (NT\$) (after tax)
Southeast Investment Co., Ltd	502,355	657,733	1,816	655,917	28,203	25,208	25,992	51.74
Southeast Topgood Resources Recycling Co., Ltd.	170,000	963,194	806,424	156,770	359,137	26,962	19,500	1.15
Dong Nai Construction Co., Ltd.	790,000	846,245	63,660	782,584	0	(3,951)	(3,951)	(0.05)
Southeast Paper Manufacturing Co., Ltd.	10,000	84,956	23,726	61,230	238	32	230	23.04
Southeast Milo International Co., Ltd.	100,000	2,703,715	2,684,493	19,222	87,879	38,407	(6,568)	(0.66)
Da Yang Construction Co., Ltd	110,000	230,392	103,748	126,644	81,302	4,939	5,836	0.53

II. Implementation of private placement of securities: None.

III. Holding or disposal of the Company's shares by its subsidiaries in the most recent year and the current year up to the publication date of this annual report:

Unit: NT\$1,000; shares; %

Subsidiary Name	Paid-in Capital	Source of funds	The Company's Ownership	Acquisition or Disposal Date	Obtain the No. of Shares and Amount	No. of Shares Sold and Amount	Investment profit and loss	No. of Shares Held and Amount as of the publication date of the annual report.	Pledge Status	The Company provides endorsements and guarantees for the Subsidiary's amount.	The Company lends an amount to the Subsidiary.
Southeast Paper Manufacturing Co., Ltd.	10,000	None	49.71%	None	None	None	None	No. of Shares: 2,112,865 Amount: 42,680	None	None	None

IV. Other Necessary Matters to be Supplemented and Explained: None.

V. Any of the situations listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, which has occurred during the most recent year or the current year up to the date of publication of the annual report: None.

Southeast Cement Co., Ltd.



Chairman Min-Tuan Chen

