【Stock Code: 1110】

# Southeast Cement Co., Ltd. and Subsidiaries

# Consolidated Financial Statements
# and Independent Auditor's Audit Report

# For the Years Ended December 31, 2024 and 2023

Company Address: 4F.-1, No. 21, Wufu 3rd Rd., Qianjin Dist., Kaohsiung City
TEL: 07-2711121

<u>*Notice to Readers*</u>

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

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Southeast Cement Co., Ltd.

Statement

For the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024), the companies that should be included in the preparation of the consolidated financial statements of affiliated companies 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 consolidated financial statements of the parent company and subsidiaries in accordance with the IFRS 10 endorsed by the FSC. The information to be disclosed in the consolidated financial statements of the affiliated companies has already been disclosed in the previously disclosed consolidated financial statements of the parent company and subsidiaries. Therefore, the consolidated financial statements of the affiliated companies are not prepared separately.

Hereby Declare(s)

Company name: Southeast Cement Co., Ltd.
Person in charge: Min-Tuan Chen

March 13, 2025

# Independent Auditors' Audit 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 Southeast Group) as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flow for the periods from January 1 to December 31, 2024 and 2023, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and the audit reports of other independent auditors (please refer to the paragraph headed Other Matters), the above consolidated financial statements present fairly, in all material respects, the consolidated financial position of Southeast Group as of December 31, 2024 and 2023, and the consolidated financial results and consolidated statements of cash flow for the periods from January 1 to December 31, 2024 and 2023 in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and are prepared in accordance with the IFRSs, IASs, Interpretations and Interpretation Bulletins endorsed and promulgated by the FSC.

**Basis of Audit Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under these standards is further described in the paragraph headed "Responsibility of the Independent Auditor for Auditing the Consolidated Financial Statements". Persons in our firm who are subject to the independence standard have maintained independence from Southeast Group in accordance with the Code of Ethics for Accountants and have fulfilled their other responsibilities under the Code. Based on our audit results and the audit reports of other independent auditors, we believe that we have obtained sufficient and appropriate audit evidence on which to form the basis of our audit opinion.

**Key Audit Matters**

Key audit matters refer to the most important matters for auditing the consolidated financial statements of Southeast Group for the year ended December 31, 2024 based on our professional judgments. These matters were addressed in the audits of the consolidated financial statements as a whole and during the process of forming our audit opinion. We do not express an opinion on these matters individually.

Descriptions of the key audit matters of Southeast Group's consolidated financial statements for the year ended December 31, 2024 are as follows:

1. Recognition of sales revenue

Please refer to Note IV(XIX) of the consolidated financial statements for the accounting policy on revenue recognition; Note V(I)2. of the consolidated financial statements for the significant accounting judgments, estimates and assumptions regarding revenue recognition; and Note VI(XXXIII) of the consolidated financial statements for the status of revenue recognition.

Descriptions on key audit matters:

Southeast Group is principally engaged in the manufacturing and sale of various cement-related products, which may be affected by the price of raw materials, market supply and demand and economic conditions, and the revenue from the sale of cement is subject to the actual withdrawal of cement by customers to satisfy the performance obligations and recognize the related revenue. Therefore, the revenue from the sale of cement is recognized as a key audit matter in 2024.

Audit procedures:

Our major auditing procedures include understanding and testing the design and effectiveness of internal control over revenue from cement sales, reviewing samples from the sales ledger, verifying the related evidence of transactions to verify the truthfulness of revenue recognition, obtaining subsequent sales ledger, reviewing the occurrence of material returns and discounts to confirm whether there are any significant anomalies on revenue recognition, and performing the cut-off test for sales revenue.

**Other Matters**

The financial statements of certain subsidiaries and investments using the equity method included in the above consolidated financial statements have not been audited by us, but by other independent auditors. Therefore, with respect to our opinion on the above consolidated financial statements, the amounts included in the financial statements of the companies are based on the audit reports of other independent auditors. As of December 31, 2024 and 2023, the total assets of these subsidiaries amounted to NT$88,738 thousand and NT$84,956 thousand respectively, accounting for 0.70% and 0.72% of the consolidated total assets; the total liabilities amounted to NT$23,474 thousand and NT$23,726 thousand respectively, accounting for 0.74% and 0.85% of the consolidated total liabilities. For the years ended December 31, 2024 and 2023, the operating revenue amounted to NT$238 thousand, accounting for 0.01% of the consolidated operating revenue, and the total comprehensive income amounted to NT$4,033 thousand and NT$442 thousand, accounting for 0.63% and 0.12% of the consolidated total comprehensive income, respectively. For the years ended December 31, 2024 and 2023, the investments accounted for using the equity method of the associates amounted to NT$499,842 thousand and NT$464,735 thousand respectively, accounting for 3.93% of the consolidated total assets. For the years ended December 31, 2024 and 2023, the shares of profit or loss of associates and joint ventures accounted for using the equity method recognized amounted to NT$6,484 thousand and NT$1,389 thousand respectively, accounting for 1.49% and 0.74% of the consolidated profit before tax; the shares of other comprehensive income of associates and joint ventures accounted for using the equity method recognized amounted to NT$31,106 thousand and NT$6,553 thousand respectively, accounting for 12.05% and 3.28% of other comprehensive net income.

Southeast Cement Co., Ltd. has prepared individual financial statements for the years ended December 31, 2024 and 2023, and we have issued an audit report with unqualified opinion, together with some paragraphs regarding other matters, for reference.

**Responsibility of the Management and Governance Unit for the Consolidated Financial Statements**

The responsibility of the management is to prepare consolidated financial statements that are properly presented in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the IFRSs, IASs, Interpretations and Interpretation Bulletins endorsed and promulgated by the FSC, as well as maintain necessary internal control over the preparation of consolidated financial statements to enable the preparation of consolidated financial statements to be free from material misstatement due to fraud or error.

In preparing the consolidated financial statements, the responsibility of the management also includes an assessment of Southeast Group's ability to continue as a going concern, the disclosure of relevant matters and the use of the going concern basis of accounting, unless the management intends to liquidate Southeast Group or cease operations, or has no realistic alternative but to liquidate or cease operations.

The governance unit of Southeast Cement Co., Ltd., including the Audit Committee, is responsible for overseeing the financial reporting process.

**Responsibility of the Independent Auditors for Auditing the Consolidated Financial Statements**

Our objective for auditing the consolidated financial reports is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole contain material misstatements due to fraud or error, and issue an audit report. Reasonable assurance is a high level of assurance. However, an audit performed in accordance with auditing standards does not provide assurance that material misstatements of the consolidated financial statements will be identified. Misstatements may be due to fraud or error. Individual amounts or aggregates of inaccuracies are considered to be material if they could reasonably be expected to affect the economic decisions of users of the consolidated financial statements.

We apply professional judgment and professional skepticism in audits conducted in accordance with auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to form the basis of an opinion. As fraud may involve conspiracy, forgery, intentional omissions, misrepresentation or overstepping of internal controls, the risk of material misstatement not detected as a result of fraud is higher than that of error.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southeast Group's internal control.
3. Evaluate the appropriateness of accounting policies used, and the reasonableness of accounting estimates and related disclosures made by the management.
4. Based on the audit evidence obtained, draw conclusions about the appropriateness of management's basis of accounting for going concern and about whether events or circumstances exist that may cast significant doubt on Southeast Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists regarding such events or circumstances, we are required to draw the attention of users of the consolidated financial statements to the relevant disclosures in the consolidated financial statements or to revise our audit opinion when such disclosures are inappropriate. Our opinion is based on the audit evidence available to us as of the date of the audit report. However, future events or circumstances may cause Southeast Group to be unable to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the underlying transactions and events.

6. Obtain sufficient audit evidence about the financial information of the Group's constituent entities in order to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and performing the audit case and for formulating an audit opinion of the Group.

We communicate with the governance unit about the scope and timing of planned audits and significant audit findings, including significant deficiencies in internal control identified in the course of the audits.

We also provide the governance unit with a statement of independence as stipulated in the Code of Ethics for Accountants, which has been complied with by the individuals in our firm who are subject to the independence requirements. We communicate with the governance unit about all relationships and other matters that could be perceived as affecting the independent auditors' independence, including relevant protection measures.

We determined the key audit matters in our audit of the consolidated financial statements of Southeast Group for the year ended December 31, 2024, based on our communications with the governance unit. We have described these matters in our audit report, except where disclosure of specific matters is not permitted by law, or in the rare event that we decide not to communicate the specific matters in our audit report because it is reasonably expected that such communication would exert an adverse impact greater than the public interest.

Crowe Horwath United Certified Public

Accountant: Ching-Lin Li

Accountant: Ling-Wen Huang

Approval Document Number: FSC Securities Review No. 10200032833

March 13, 2025

Southeast Cement Co., Ltd. and its Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Unit: NT$1,000

| Code | Assets | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | Current assets | | | | |
| 1100 | Cash and Cash Equivalents (Note VI (I)) | $ 548,447 | 4 | $ 287,887 | 2 |
| 1110 | Current financial assets at fair value through profit or loss (Note VI (II)) | 211,286 | 2 | 241,358 | 2 |
| 1150 | Notes Receivable, net (Note VI (III)) | 284,767 | 2 | 239,044 | 2 |
| 1170 | Accounts receivable, net (Note VI (IV)) | 472,006 | 4 | 323,104 | 3 |
| 1180 | Accounts receivable due from related entities, net (Note VII) | 50,361 | - | 42,063 | - |
| 1200 | Other Receivables (Note VI (V)) | 2,282 | - | 989 | - |
| 1220 | Current tax assets | 339 | - | 944 | - |
| 130x | Current inventories (Note VI (VI)) | 1,192,781 | 9 | 1,188,767 | 11 |
| 1410 | Prepayments (Note VI (VII)) | 81,739 | 1 | 65,923 | 1 |
| 1476 | Other current financial assets (Note VI (IX)) | 110,000 | 1 | 93,629 | 1 |
| 1480 | Current assets recognized as incremental costs to obtain contracts with customers (Note VI (X)) | - | - | 2,000 | - |
| 11xx | Total current assets | 2,954,008 | 23 | 2,485,708 | 22 |
| | Non-current assets | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income (Note VI (XI)) | 1,584,090 | 13 | 1,421,796 | 12 |
| 1550 | Investments accounted for using the equity method (Note VI (XII)) | 623,715 | 5 | 587,585 | 5 |
| 1600 | Property, plant and equipment (Note VI (XIII)) | 1,122,541 | 9 | 980,083 | 8 |
| 1755 | Right-of-use assets (Note VI (XIV)) | 598,113 | 5 | 627,829 | 5 |
| 1760 | Investment property, net (Note VI (XV)) | 5,776,714 | 45 | 5,631,299 | 48 |
| 1780 | Intangible assets (Note VI (XVI)) | 753 | - | 26 | - |
| 1840 | Deferred tax assets(Note VI (XXXIX)) | 27,255 | - | 51,105 | - |
| 1920 | Refundable deposits (Note VI (XVII)) | 30,591 | - | 36,131 | - |
| 1990 | Other non-current assets - others (Note VI (V)) | 4,157 | - | - | - |
| 15xx | Total non-current assets | 9,767,929 | 77 | 9,335,854 | 78 |
| 1xxx | Total assets | $ 12,721,937 | 100 | $ 11,821,562 | 100 |

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| Code | Liabilities and equity | December 31, 2024 Amount | % | December 31, 2023 Amount | % |
|---|---|---|---|---|---|
| | Current liabilities | | | | |
| 2100 | Current borrowings (Note VI (XVIII)) | $ 1,266,774 | 10 | $ 898,000 | 8 |
| 2110 | Short-term notes payable (Note VI (XIX)) | 71,951 | 1 | 294,795 | 3 |
| 2130 | Current contract liabilities (Note VI (XX)) | 27,252 | - | 43,681 | - |
| 2150 | Notes payable | 13,138 | - | 17,722 | - |
| 2170 | Accounts payable | 360,864 | 3 | 263,293 | 3 |
| 2200 | Other payables (Note VI (XXI)) | 160,487 | 2 | 141,645 | 1 |
| 2230 | Current tax liabilities | 34,952 | - | 39,544 | - |
| 2250 | Current provisions (Note VI (XXII)) | 2,085 | - | 1,769 | - |
| 2280 | Current lease liabilities (Note VI (XIV)) | 39,205 | - | 38,976 | - |
| 2320 | Long-term liabilities due in one year or one business cycle (Note VI (XXIII)) | 50 | - | - | - |
| 2399 | Other current liabilities- others | 1,064 | - | 1,286 | - |
| 21xx | Total current liabilities | 1,977,822 | 16 | 1,740,711 | 15 |
| | Non-current liabilities | | | | |
| 2540 | Long-term loans (Note VI (XXIII)) | 411,320 | 3 | 265,900 | 2 |
| 2570 | Deferred tax liabilities (Note VI (XXXIX)) | 266,716 | 2 | 269,188 | 2 |
| 2580 | Non-current lease liabilities (Note VI (XIV)) | 484,808 | 4 | 504,194 | 5 |
| 2645 | Guarantee deposits received (Note VI (XXV)) | 15,318 | - | 16,331 | - |
| 25xx | Total non-current liabilities | 1,178,162 | 9 | 1,055,613 | 9 |
| 2xxx | Total liabilities | 3,155,984 | 25 | 2,796,324 | 24 |
| | Equity | | | | |
| | Equities attributable to owners of parent | | | | |
| 3100 | Share capital (Note VI (XXVI)) | | | | |
| 3110 | Ordinary share(s) | 5,720,008 | 45 | 5,720,008 | 48 |
| 3200 | Capital surplus (Note VI (XXVII)) | 188,898 | 1 | 188,688 | 2 |
| 3300 | Retained earnings | | | | |
| 3310 | Legal reserve | 1,099,596 | 9 | 1,084,664 | 9 |
| 3320 | Special reserve (Note VI (XXIX)) | 810,918 | 6 | 810,918 | 7 |
| 3350 | Unappropriated retained earnings (Note VI (XXVIII)) | 620,437 | 5 | 407,894 | 3 |
| 3400 | Other equity interest (Note VI (XXX)) | 988,179 | 8 | 723,623 | 6 |
| 3500 | Treasury shares (Note VI (XXXI)) | (12,185) | - | (12,185) | - |
| 31xx | Total equities attributable to owners of parent | 9,415,851 | 74 | 8,923,610 | 75 |
| 36xx | Non-controlling interests (Note VI (XXXII)) | 150,102 | 1 | 101,628 | 1 |
| 3xxx | Total equity | 9,565,953 | 75 | 9,025,238 | 76 |
| | Total liabilities and equity | $ 12,721,937 | 100 | $ 11,821,562 | 100 |

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen    Manager: Yen-Hui Wu    Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT$1,000

| Code | Item(s) | 2024 Amount | 2024 % | 2023 Amount | 2023 % |
|---|---|---|---|---|---|
| 4000 | Operating revenue (Note VI (XXXIII)) | $ 2,872,958 | 100 | $ 2,273,518 | 100 |
| 5000 | Operating costs (Note VI (VI)) | (2,349,919) | (82) | (2,069,639) | (91) |
| 5900 | Gross profit (loss) from operations | 523,039 | 18 | 203,879 | 9 |
| | Operating expenses | | | | |
| 6100 | Sales (marketing) expenses | (53,819) | (1) | (20,879) | (1) |
| 6200 | Administrative expenses | (133,204) | (5) | (126,587) | (6) |
| 6450 | Gain (loss) on expected credit impairment (Note VI (IV)) | - | - | 2,965 | - |
| 6000 | Total operating expenses | (187,023) | (6) | (144,501) | (7) |
| 6900 | Net operating income (loss) | 336,016 | 12 | 59,378 | 2 |
| | Non-operating income and expenses | | | | |
| 7100 | Interest income (Note VI (XXXV)) | 6,328 | - | 6,296 | - |
| 7010 | Other income (Note VI (XXXVI)) | 139,054 | 5 | 74,585 | 3 |
| 7020 | Other gains and losses (Note VI (XXXVII)) | (30,919) | (1) | 65,548 | 3 |
| 7050 | Finance costs (Note VI (XXXVIII)) | (32,349) | (1) | (31,283) | (1) |
| 7060 | Share of profit or loss from associated companies and joint ventures accounted for using equity method | 16,054 | - | 12,852 | 1 |
| 7000 | Total non-operating income and expenses | 98,168 | 3 | 127,998 | 6 |
| 7900 | Profit (loss) before tax | 434,184 | 15 | 187,376 | 8 |
| 7950 | Income tax benefit (expense) (Note VI (XXXIX)) | (56,961) | (2) | (31,323) | (1) |
| 8200 | Profit (loss) | 377,223 | 13 | 156,053 | 7 |
| | 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 | 227,478 | 8 | 193,248 | 8 |
| 8320 | Share of other comprehensive income of related entities and joint ventures accounted for using equity method | 30,558 | 1 | 6,258 | - |
| 8300 | Other comprehensive income, net | 258,036 | 9 | 199,506 | 8 |
| 8500 | Total comprehensive income | $ 635,259 | 22 | $ 355,559 | 15 |
| 8600 | Profit (loss) attributable to: | | | | |
| 8610 | Profit (loss), attributable to owners of parent | $ 348,485 | 12 | $ 149,522 | 7 |
| 8620 | Profit (loss), attributable to non-controlling interests | 28,738 | 1 | 6,531 | - |
| | | $ 377,223 | 13 | $ 156,053 | 7 |
| 8700 | Comprehensive income attributable to: | | | | |
| 8710 | Comprehensive income, attributable to owners of parent | $ 606,431 | 21 | $ 348,999 | 15 |
| 8720 | Comprehensive income, attributable to non-controlling interests | 28,828 | 1 | 6,560 | - |
| | | $ 635,259 | 22 | $ 355,559 | 15 |
| | Earnings per share | | | | |
| 9750 | Basic earnings per share (Note VI (XLI)) | $ 0.61 | | $ 0.26 | |
| 9850 | Diluted earnings per share (Note VI (XLI)) | $ 0.61 | | $ 0.26 | |

(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
January 1 to December 31, 2024 and 2023

Unit :NT$1,000

| | Equities attributable to owners of parent | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Retained earnings | | | Total other equity interest | | | | |
| | Ordinary share(s) | Capital surplus | Legal reserve | Special reserve | 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 | Total equity |
| Balance as of January 1, 2023 | $ 5,720,008 | $ 188,583 | $ 1,069,712 | $ 810,918 | $ 330,721 | $ 523,949 | $ (12,185) | $ 8,631,706 | $ 94,962 | $ 8,726,668 |
| Appropriation and distribution of earnings: | | | | | | | | | | |
| Legal reserve | - | - | 14,952 | - | (14,952) | - | - | - | - | - |
| Cash dividends of ordinary share(s) | - | - | - | - | (57,200) | - | - | (57,200) | - | (57,200) |
| Net profit (net loss) for 2023 | - | - | - | - | 149,522 | - | - | 149,522 | 6,531 | 156,053 |
| Other comprehensive income for 2023 | - | - | - | - | - | 199,477 | - | 199,477 | 29 | 199,506 |
| Total comprehensive income for 2023 | - | - | - | - | 149,522 | 199,477 | - | 348,999 | 6,560 | 355,559 |
| Dividend distribution to subsidiaries, resulting in adjustments to capital surplus | - | 105 | - | - | - | - | - | 105 | - | 105 |
| Increase/decrease in non-controlling interests | - | - | - | - | - | - | - | - | 106 | 106 |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | (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 |
| Appropriation and distribution of earnings: | | | | | | | | | | |
| Legal reserve | - | - | 14,932 | - | (14,932) | - | - | - | - | - |
| Cash dividends of ordinary share(s) | - | - | - | - | (114,400) | - | - | (114,400) | (166) | (114,566) |
| Net profit (net loss) for 2024 | - | - | - | - | 348,485 | - | - | 348,485 | 28,738 | 377,223 |
| Other comprehensive income for 2024 | - | - | - | - | - | 257,946 | - | 257,946 | 90 | 258,036 |
| Total comprehensive income for 2024 | - | - | - | - | 348,485 | 257,946 | - | 606,431 | 28,828 | 635,259 |
| Dividend distribution to subsidiaries, resulting in adjustments to capital surplus | - | 210 | - | - | - | - | - | 210 | - | 210 |
| Increase/decrease in non-controlling interests | - | - | - | - | - | - | - | - | 19,812 | 19,812 |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | - | - | - | (6,610) | 6,610 | - | - | - | - |
| Balance as of December 31, 2024 | $ 5,720,008 | $ 188,898 | $ 1,099,596 | $ 810,918 | $ 620,437 | $ 988,179 | $ (12,185) | $ 9,415,851 | $ 150,102 | $ 9,565,953 |

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen    Manager: Yen-Hui Wu    Chief Accountant: Hsin-Han Huang

Southeast Cement Co., Ltd. and its Subsidiaries
Consolidated Statements of Cash Flow
January 1 to December 31, 2024 and 2023

Unit: NT$1,000

| Item(s) | 2024 | 2023 |
|---|---|---|
| Cash flows from (used in) operating activities | | |
| Profit (loss) before tax for the period | $ 434,184 | $ 187,376 |
| Adjustments | | |
| Adjustments to reconcile profit (loss) | | |
| Depreciation expense | 105,822 | 103,645 |
| Amortization expense | 43 | 31 |
| Expected credit loss (reversal gain) | - | (2,965) |
| Net loss (gain) on financial assets or liabilities at fair value through profit or loss | (529) | (15,573) |
| Interest expense | 32,349 | 31,283 |
| Interest income | (6,328) | (6,296) |
| Dividend income | (125,557) | (55,983) |
| Share of loss (profit) of related entities and joint ventures accounted for by using equity method | (16,054) | (12,852) |
| Loss (gain) on disposal of property, plants and equipment | (866) | (3,488) |
| Property, plants and equipment transferred to expenses | 145 | 617 |
| Loss (Profit) on disposal of non-current assets held for sale | - | (167,435) |
| Impairment of non-financial assets | - | 50,002 |
| Profit from lease modification | (1,877) | (946) |
| Others | 210 | 105 |
| Total adjustments to reconcile profit (loss) | (12,642) | (79,855) |
| 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 | 30,601 | 331,730 |
| Decrease (increase) in notes receivable | (45,708) | 10,123 |
| Decrease (increase) in accounts receivable | (157,215) | (236,482) |
| Decrease (increase) in other receivable | (188) | 30,234 |
| Decrease (increase) in inventories | (13,357) | (182,120) |
| Decrease (increase) in other prepayments | (15,816) | (25,002) |
| Decrease (increase) in other financial assets | (16,371) | 70,911 |
| (Increase) decrease in acquisition of incremental costs of contract | 2,000 | - |
| Total changes in operating assets | (216,054) | (606) |
| Changes in operating liabilities | | |
| Increase (decrease) in contract liabilities | (16,429) | 24,811 |
| Increase (decrease) in notes payable | (4,584) | 15,802 |
| Increase (decrease) in accounts payable | 97,571 | 12,507 |
| Increase (decrease) in other payable | 836 | 60,378 |

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| Item(s) | 2024 | 2023 |
|---|---|---|
| Increase (decrease) in provisions | $ 316 | $ 328 |
| Increase (decrease) in other current liabilities | (222) | (232) |
| Total net changes in operating liabilities | 77,488 | 113,594 |
| Total net changes in operating assets and liabilities | (138,566) | 112,988 |
| Total adjustments | (151,208) | 33,133 |
| Cash inflow (outflow) generated from operations | 282,976 | 220,509 |
| Interest received | 6,296 | 7,193 |
| Dividends received | 136,295 | 79,983 |
| Interest paid | (31,890) | (31,346) |
| Income taxes refund (paid) | (39,570) | (486) |
| Net cash flows from (used in) operating activities | 354,107 | 275,853 |
| Cash flows from (used in) investing activities | | |
| Acquisition of financial assets at fair value through other comprehensive income | (36,989) | (1,134) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 63,781 | 6,159 |
| Financial assets at fair value through other comprehensive income - return of capital due to capital reduction | 38,392 | - |
| Disposal of non-current assets held for sale | - | 1,056,004 |
| Acquisition of property, plants and equipment | (204,807) | (412,417) |
| Proceeds from disposal of property, plants and equipment | 950 | 5,500 |
| Increase in refundable deposits | - | (17,133) |
| Decrease in refundable deposits | 6,492 | - |
| Acquisition of Intangible assets | - | (17) |
| Acquisition of use-of-right assets | (440) | (33,050) |
| Acquisition of investment properties | (115,260) | (293,469) |
| Increase in long-term lease and instalment receivables | (5,496) | - |
| Decrease in long-term lease and instalment receivables | - | 1,415 |
| Net cash flows from (used in) investing activities | (253,377) | 311,858 |
| Cash flows from (used in) financing activities | | |
| Increase in short-term loans | 368,774 | - |
| Decrease in short-term loans | - | (632,000) |
| Decrease in short-term notes and bills payable | (223,000) | (125,000) |
| Proceeds from long-term debt | 145,470 | 265,900 |
| Increase in refundable deposits | - | 4,503 |
| Decrease in refundable deposits | (1,013) | - |
| Repayment of lease liabilities | (35,647) | (52,507) |
| Cash dividends paid | (114,400) | (57,200) |
| Changes in non-controlling interests | 19,646 | 106 |
| Net cash flows from (used in) financing activities | 159,830 | (596,198) |
| Net increase (decrease) in cash and cash equivalents | 260,560 | (8,487) |
| Cash and cash equivalents at beginning of period | 287,887 | 296,374 |
| Cash and cash equivalents at end of period | $ 548,447 | $ 287,887 |

(Please refer to the notes to the CFS)

Chairman: Min-Tuan Chen Manager: Yen-Hui Wu Chief Accountant: Hsin-Han Huang

# Southeast Cement Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023
(Unless otherwise specified, all amounts are in thousands of New Taiwan dollars, NT$1,000)

**(I)** Company History

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

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

## (II) Date and Procedures for Authorization of Financial Statements

This consolidated financial statement was issued after being approved by the Board of Directors on March 13, 2025.

## (III) Application of New and Revised Standards and Interpretations

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

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

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

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

(1) Amendment to IFRS 16 "Lease Liabilities in Sale and Leaseback"

This amendment clarifies that for sale and leaseback transactions, if the transfer of assets is treated as a sale under IFRS 15, the liability of the seller and lessee arising from the leaseback should be treated in accordance with the provisions of IFRS 16 on 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 right of use. The difference between the actual amount of lease payments and decrease in the book value of lease liabilities is recognized as profit or loss.

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

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

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

(3) Amendment to IAS 1 "Non-current Liabilities with Contractual clauses"

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

(4) Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"

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

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

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

The table below lists the new releases, amendments, and revisions of the International Financial Reporting Standards accepted by the Taiwan Financial Supervisory Commission for use in 2025

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

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

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

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

| Newly Issued/Amended/Revised Standards and Interpretations | Effective date issued by IASB |
|---|---|
| Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity” | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture" | Undetermined |
| IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 "Insurance Contracts" | January 1, 2023 |
| Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information" | January 1, 2023 |
| IFRS 18 "Presentation and Disclosure in Financial Statements" | January 1, 2027 |
| IFRS 19“Subsidiaries without Public Accountability: Disclosures” | January 1, 2027 |
| Annual improvements to IFRS—Volume 11 | January 1, 2026 |

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

(1) These amendments, amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments,” are explained as follows:

A. In order to clarify the date of recognition or derecognition of certain financial assets and financial liabilities, an entity is allowed to deem a financial liability (or part of a financial liability) that will be settled in cash using an electronic payment system to be discharged before the settlement date if, and only if, the entity has initiated a payment instruction that has resulted in:

(A) the entity having no practical ability to withdraw, stop or cancel the payment instruction;

(B) the entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

(C) the settlement risk associated with the electronic payment system being immaterial.

B. It clarifies and provides further guidance on assessing whether financial assets meet the solely payments of principal and interest (SPPI) criteria. The scope includes contractual terms that change cash flows based on contingent events (for example, interest rates linked to ESG goals), instruments with non-recourse features, and contractually linked instruments.

C. It adds on certain tools for contracts with variable cash flow terms (for example, certain instruments with features related to achieving environmental, social, and governance (ESG) goals) that should be disclosed for qualitative description of the nature of certain matters; regarding the quantitative information on the potential range of contract cash flow variations that may arise from such contract terms; and the carrying amount of financial assets and the amortized cost of financial liabilities under such contract terms.

D. It updates that investments in equity instruments designated at fair value through other comprehensive income (FVTOCI) through irrevocable choices should be disclosed its fair value for each type, no longer required to disclose its fair value information per each item. In addition, an entity is required to disclose the fair value gain or loss presented in OCI during the period, showing separately the fair value gain or loss that relates to investments derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period; and the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

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

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

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

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

(4) IFRS 19“Subsidiaries without Public Accountability: Disclosures”

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

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

## (IV) Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are described as follows. Unless otherwise stated, these policies are consistently applied throughout all reporting periods.

1. Compliance Statement

   The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the IFRSs, IASs, Interpretations and Interpretation Bulletins (hereinafter referred to as IFRSs) endorsed and promulgated by the FSC.

2. Basis of preparation

   (1) Except for the following significant items, these CFS are prepared on a historical cost basis:

   A. Financial assets and liabilities at fair value through profit or loss (including derivatives) measured at fair value.

   B. Financial assets and liabilities measured at fair value through other comprehensive income.

   C. Liabilities of cash-settled share-based payment agreements measured at fair value.

   (2) The preparation of individual financial statements in accordance with the IFRSs approved by the Financial Supervisory Commission requires some significant accounting estimates. Management also needs to exercise their judgment in the application process of the Group's accounting policies. For items involving high judgment or complexity, or those involving significant assumptions and estimates of CFS, please refer to Note V for details.

3. Consolidation Basis

   (1) Principles for CFS Preparation:

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

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

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

D. Changes in holdings of subsidiaries that do not result in loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e., they are considered transactions with owners. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.

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

(2) The subsidiaries included in the CFS are as follows:

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

A. Certain subsidiaries included in the above consolidated financial statements for the years ended December 31, 2024 and 2023 have been audited by other independent auditors.

B. Changes in consolidated subsidiaries: None.

(3) Subsidiaries not included in CFS: None.

(4) Adjustments and handling methods due to different accounting periods of subsidiaries: None.

(5) Significant Limitations: None.

(6) Contents of securities issued by the parent company held by subsidiaries: Please refer to the description in Note VI (XXXI).

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

| | | December 31, 2024 | |
|---|---|---|---|
| Subsidiary Name | Percentage of shareholding | Non-controlling interests | Profit (loss) allocated to non-controlling interests |
| Southeast Topgood Resources Recycling Co., Ltd. | 49% | $ 111,949 | $ 35,131 |
| Southeast Milo International Co., Ltd. | 49% | 22,088 | (6,930) |
| Others | | 16,065 | 537 |
| Total | | $ 150,102 | $ 28,738 |

| | | December 31, 2023 | |
|---|---|---|---|
| Subsidiary Name | Percentage of shareholding | Non-controlling interests | Profit (loss) allocated to non-controlling interests |
| Southeast Topgood Resources Recycling Co., Ltd. | 49% | $ 76,817 | $ 9,555 |
| Southeast Milo International Co., Ltd. | 49% | 9,419 | (3,218) |
| Others | | 15,392 | 194 |
| Total | | $ 101,628 | $ 6,531 |

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

B. The summarized financial information is as follows:

(A) Balance sheets:

| Item(s) | Southeast Topgood Resources Recycling Co., Ltd. December 31, 2024 | Southeast Topgood Resources Recycling Co., Ltd. December 31, 2023 |
|---|---|---|
| Current assets | $ 319,141 | $ 216,860 |
| Non-current assets | 879,666 | 746,335 |
| Current liabilities | 312,855 | 281,885 |
| Non-current liabilities | 657,485 | 524,540 |
| Equity | $ 228,467 | $ 156,770 |

| Item(s) | Southeast Milo International Co., Ltd. December 31, 2024 | Southeast Milo International Co., Ltd. December 31, 2023 |
|---|---|---|
| Current assets | $ 41,330 | $ 54,118 |
| Non-current assets | 2,641,768 | 2,649,597 |
| Current liabilities | 55,381 | 51,475 |
| Non-current liabilities | 2,582,638 | 2,633,018 |
| Equity | $ 45,079 | $ 19,222 |

(B) Statements of comprehensive income:

| | Southeast Topgood Resources Recycling Co., Ltd. 2024 | Southeast Topgood Resources Recycling Co., Ltd. 2023 |
|---|---|---|
| Revenues | $ 692,475 | $ 359,137 |
| Profit (loss) | $ 71,697 | $ 19,501 |
| Other comprehensive income (net of tax) | - | - |
| Total comprehensive income | $ 71,697 | $ 19,501 |
| Net profit attributable to non-controlling interests | $ 35,131 | $ 9,555 |
| Comprehensive income attributable to non-controlling interests | $ 35,131 | $ 9,555 |
| Dividends paid to non-controlling interests | $ - | $ - |

| | Southeast Milo International Co., Ltd. 2024 | Southeast Milo International Co., Ltd. 2023 |
|---|---|---|
| Revenues | $ 99,476 | $ 87,879 |
| Profit (loss) | $ (14,144) | $ (6,568) |
| Total comprehensive income | $ (14,144) | $ (6,568) |
| Net profit attributable to non-controlling interests | $ (6,930) | $ (3,218) |
| Comprehensive income attributable to non-controlling interests | $ (6,930) | $ (3,218) |
| Dividends paid to non-controlling interests | $ - | $ - |

(C) Statements of cash flow:

| | Southeast Topgood Resources Recycling Co., Ltd. | |
|---|---|---|
| | 2024 | 2023 |
| Net cash flows from (used in) operating activities | $ 56,098 | $ (28,172) |
| Net cash flows from (used in) investing activities | (155,999) | (263,996) |
| Net cash flows from (used in) financing activities | 123,369 | 297,005 |
| Net increase (decrease) in cash and cash equivalents | $ 23,468 | $ 4,837 |
| Cash and cash equivalents at beginning of period | 9,071 | 4,234 |
| Cash and cash equivalents at end of period | $ 32,539 | $ 9,071 |

| | Southeast Milo International Co., Ltd. | |
|---|---|---|
| | 2024 | 2023 |
| Net cash flows from (used in) operating activities | $ (14,766) | $ 18,738 |
| Net cash flows from (used in) investing activities | - | (1,742) |
| Net cash flows from (used in) financing activities | 35,769 | (8,065) |
| Net increase (decrease) in cash and cash equivalents | $ 21,003 | $ 8,931 |
| Cash and cash equivalents at beginning of period | 10,138 | 1,207 |
| Cash and cash equivalents at end of period | $ 31,141 | $ 10,138 |

4. Translation of foreign currency

(1) Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (i.e. its functional currency). The consolidated financial statements are expressed in the functional currency of the Company, i.e. the “New Taiwan Dollar” (NT$).

(2) In preparing the individual financial statements of each consolidated entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognized at the exchange rates prevailing on the transaction dates. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date, and the resulting exchange differences are recognized in profit or loss in the period in which they occur. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss for the current year. In the case of a change in fair value that is recognized in other comprehensive income, the resulting exchange differences are recognized in other comprehensive income. Non-monetary items measured in terms of historical cost that are denominated in foreign currencies are translated at the exchange rates prevailing on the transaction dates and are not retranslated.

(3) For the purpose of preparing consolidated financial statements, assets and liabilities of foreign operations are translated into New Taiwan dollars at the exchange rates prevailing at the end of the reporting period. Gains and losses are translated at the average exchange rates of the current period. The resulting exchange differences are recognized as other comprehensive income and accumulated in the exchange differences on the translation of the financial statements of foreign operations under equity (and appropriately allocated to non-controlling interests).

5. Criteria for distinguishing current and non-current assets and liabilities

(1) Manufacturing Department:

A. An asset is classified as current asset if it meets one of the following criteria:

(A) Expected to be realized in the normal operating cycle or is intended to be sold or consumed.

(B) Held primarily for trading purposes.

(C) Expected to be realized within twelve months from the balance sheet date.

(D) Cash and cash equivalents, unless exchanged, settled or otherwise restricted for more than twelve months after the balance sheet date.

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

B. A liability is classified as current liability if it meets one of the following criteria:

(A) Expected to be settled in the normal operating cycle.

(B) Held primarily for trading purposes.

(C) Must be settled within twelve months from the balance sheet date. (Also classified as current liabilities even if a long-term refinancing or rescheduling agreement has been completed after the balance sheet date and before the approval of the publication of the financial statements)

(D) Without a substantive right at the balance sheet date to extend the settlement period to at least twelve months after the balance sheet date. The terms of the liability may be settled by issuing equity instruments at the option of the counterparty, which does not affect its classification.

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

(2) Construction Department:

As the operating cycle of the sale of construction is usually longer than one year, assets and liabilities related to the construction business are classified as current or non-current on the basis of the operating cycle.

The operating cycle of outsourced construction projects is usually longer than one year. Therefore, assets and liabilities related to the construction business are classified as current or non-current on the basis of the operating cycle.

6. Cash and cash equivalents

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

7. Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual terms and conditions of the financial instrument.

Financial assets and financial liabilities are initially recognized at fair value. On initial recognition, transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than those classified as financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities. Transaction costs that are directly attributable to financial assets and financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial assets

A. Type of measurement

Customary transactions of financial assets are recognized using trade date accounting.

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

(A) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets at fair value through profit or loss on a mandatory basis and those designated as at fair value through profit or loss. Financial assets at fair value through profit or loss include investments in equity instruments that the Group has not designated as at fair value through other comprehensive income and investments in debt instruments that do not meet the criteria for classification as at amortized cost or at fair value through other comprehensive income.

For financial assets originally measured at amortized cost or at fair value through other comprehensive income, in order to eliminate or materially reduce measurement or recognition inconsistencies that would arise from using different bases for measuring assets or liabilities or recognizing their gains and losses if they were not designated as fair value through profit or loss, the Company makes an irrevocable election to designate them as fair value through profit or loss at the time of original recognition.

Financial assets at fair value through profit or loss are measured at fair value, with dividends generated recognized in other income, and gains or losses from interest and remeasurement recognized in other gains and losses. Please refer to Note XII for the method of determining fair value.

(B) Investments in equity instruments at fair value through other comprehensive income

At initial recognition, the Group may make an irrevocable election to designate investments in equity instruments that are not held for trading purpose and contingent consideration recognized by the acquirer in a non-business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Gains or losses accumulated in other equity are transferred directly to retained earnings and are not reclassified to profit or loss when the investment is disposed of.

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

(C) Financial assets at amortized cost

The Group's investments in financial assets are classified as financial assets measured at amortized cost if both of the following two conditions are met:

a. Held within an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and

b. Have contractual terms that produce date-specific cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets carried at amortized cost are measured at their gross carrying amount determined using the effective interest method, less the amortized cost of any impairment loss, with any foreign currency translation gains or losses recognized in profit or loss.

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

a. For purchased or newly credit-impaired financial assets, interest income is calculated by multiplying the effective interest rate of the credit-adjusted financial assets by the amortized cost of the financial asset.

b. For financial assets that are not credit-impaired at acquisition or origination but subsequently become credit-impaired, interest income is calculated by multiplying the effective interest rate by the amortized cost of the financial assets.

B. Impairment of financial assets

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

(B) An allowance for impairment loss is recognized for accounts receivable and lease receivables based on their lifetime expected credit losses. Other financial assets are evaluated to determine whether there has been a significant increase in credit risk since the initial recognition. If not, an allowance for credit losses is recognized based on the expected credit losses over the 12-month period. If there has been a significant increase in credit risk, an allowance for credit losses is recognized based on the lifetime expected credit losses.

(C) Expected credit losses are weighted average credit losses that are based on the risk of default. 12-month expected credit losses represent expected credit losses arising from probable defaults on financial instruments within 12 months of the reporting date, while lifetime expected credit losses represent expected credit losses arising from all probable defaults on financial instruments during the expected lifetime of the financial instruments.

(D) Impairment losses on financial assets are reduced to the carrying amount through an allowance account. However, an allowance loss for investments in debt instruments at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount.

C. Derecognition of financial assets

The Group derecognizes financial assets when one of the following conditions is met:

(A) The contractual rights to receive cash flows from the financial asset expire.
(B) The contractual rights to receive cash flows from the financial asset are transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.
(C) Neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, but does not retain control over the financial asset.

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

(2) Equity instruments

Debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments. An equity instrument is any contract that recognizes an entity's residual interest in an asset less all of its liabilities. Equity instruments issued by the Group are recognized at acquisition cost less direct issue costs.

(3) Financial liabilities

A. Subsequent measurement

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

B. Derecognition of financial liabilities

The Group derecognizes financial liabilities only when the obligation is discharged, canceled or expired. When a financial liability is derecognized, the difference between its carrying amount 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 in a way that does not result in the financial instrument being derecognized, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the discount rate of the original effective interest rate of the modified contract and recognizes the gain or loss on modification in profit or loss; the costs or expenses incurred are recognized as adjustments to the carrying amount of the financial instrument after modification and are amortized over the remaining period of the modification. If the renegotiation or modification results in the derecognition of the financial instrument, it should be accounted for in accordance with the requirements of the derecognition.

8. Inventory

(1) Manufacturing Department:

Inventories are measured at the lower of cost or net realizable value and are maintained on a perpetual inventory basis. Cost is determined by the weighted-average method. The cost of finished goods and work-in-process includes raw materials, direct labor, other direct costs, and production-related manufacturing costs (apportioned on the basis of normal production capacity), but excludes borrowing costs. Comparisons of the lower of cost or net realizable value are made on a line-by-line basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to be incurred to completion and the estimated costs required to complete the sale.

(2) Construction Department:

Inventories are measured at the lower of cost or net realizable value. Cost includes acquisition costs and capitalized borrowing costs incurred to bring the inventories to the point and status of ready for use.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to be incurred to complete the project and the estimated costs to be incurred to complete the sale. Net realizable value is determined as follows:

A. Construction sites: Net realizable value is calculated based on the prevailing market price of the management authority less costs and selling expenses until completion, or the most recent market price (development analysis method or comparison method).

B. Construction in progress: Net realizable value is calculated based on the estimated selling price (current market conditions) less costs and selling expenses to be incurred until completion.

C. Available-for-sale real estate: Net realizable value is the estimated selling price (estimated by the management authority based on the prevailing market conditions) less estimated costs and selling expenses incurred in the sale of the real estate.

9. Investments accounted for using equity method - associates

(1) Associates are all entities over which the Group exercises significant influence but does not control, and in which the Group directly or indirectly owns 20% or more of the voting shares. The Group's investments in associates are accounted for using the equity method and recognized at cost upon acquisition.

(2) The Group recognizes its share of associates' profit or loss after acquisition as current profit or loss, and its share of other comprehensive income after acquisition as other comprehensive income. If the Group's share of losses in an associate equals or exceeds its interest in that associate (including the carrying amount of the investment in the associate determined using the equity method and any long-term interests that in substance form part of the Company's net investment in the associate), the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

(3) Unrealized profit or loss resulting from transactions between the Group and its associates are eliminated in proportion to the Group's interest in the associates, and unrealized losses are eliminated unless there is evidence that the assets transferred in the transaction are impaired. The accounting policies of the associates have been appropriately adjusted to be consistent with the policies adopted by the group.

(4) When the Group disposes of a related enterprise, if it loses significant influence over the associate, regarding all amounts previously recognized in other comprehensive income related to the associate, the accounting treatment is the same as when the associate 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 significant impact over the associate is lost, that profit or loss will be reclassified from equity to profit or loss. If the significant influence on the associate remains, only a proportionate share of the amount previously recognized in other comprehensive income is transferred out based on the manner as mentioned above.

10. Property, plants and equipment

(1) Property, plant and equipment are recorded at acquisition cost and capitalized as interest during the construction period. Samples of property, plant and equipment under construction are measured at the lower of cost or net realizable value when the assets are tested to determine whether they can be operated properly before they are put to their intended use, and the selling price and cost are recognized in profit or loss.

(2) Subsequent costs are included in the carrying amount of an asset 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 replacement should be excluded. All other maintenance costs are recognized in profit or loss as incurred.

(3) Land is not depreciated. Other property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives using the cost model. The Company reviews the residual value, useful life and depreciation method of each asset at the end of each fiscal year. If the expected residual value and useful life are different from the previous estimates, or if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the Company follows the changes in accounting estimates in accordance with IAS 8, “Accounting Policies, Changes in Accounting Estimates, and Errors” from the date of the change in accounting estimates. The useful lives of the assets are as follows:

Buildings

| | |
|---|---|
| Main building of plants | 5 years to 50 years |
| Electrical and mechanical power equipment | 5 years to 10 years |
| Other facilities | 15 years |
| Machinery and equipment | 2 years to 16 years |
| Transportation equipment | 3 years to 6 years |
| Miscellaneous equipment | 2 years to 10 years |

(4) Property, plant and equipment are derecognized when they are disposed of or when no future economic benefits are expected to arise from their use or disposal. The amount of gain or loss on derecognition of property, plant and equipment is the difference between the net disposal price and the carrying amount of the asset and is recognized in profit or loss.

11. Lease

The Group assesses whether a contract is (or contains) a lease at the inception date. Where a contract contains a lease component and one or more additional leases or non-lease components, the Group apportions the consideration in the contract to the lease component on the basis of the relative individual price of each lease component and the aggregate individual price of the non-lease components.

(1) The Group is the lessee

The Group recognizes right-of-use assets and lease liabilities at the inception date of the lease for other leases, except for leases of low-value subject assets and short-term leases, for which expenses are recognized on a straight-line basis.

Right-of-use assets

Right-of-use assets are initially measured at cost (including the original measurement of the lease liability, lease payments made prior to the inception date of the lease less lease incentives received, original direct costs and the estimated cost to reinstate the subject asset) and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, adjusted for the remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis from the inception date of the lease to the earlier of the end of their useful lives or the end of the lease term, except that, if ownership of the subject asset is to be acquired at the end of the lease term or if the cost of the right-of-use asset reflects the exercise of a purchase option, depreciation is provided from the inception date of the lease to the end of the useful life of the subject asset.

Lease liabilities

Lease obligations are measured initially at the present value of the lease payments (including fixed payments, real fixed payments, and lease payments subject to changes in indexes or rates). If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is amortized over the lease term. If there is a change in future lease payments due to a change in the lease term, the evaluation of the purchase option of the subject asset, the amount expected to be paid under the residual value guarantee, or a change in the index or rate used to determine the lease payments, the Group remeasures the lease liability and adjusts the right-of-use asset accordingly, except that, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are reported as a single line item in the consolidated balance sheet.

(2) The Group is the lessor

When the Group subleases a right-of-use asset, the Group determines the classification of the sublease based on the right-of-use asset rather than the subject asset. However, if the primary lease is a short-term lease for which the Group applies a recognition exemption, the sublease is classified as an operating lease.

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

Lease payments under finance leases consist of fixed payments, effective fixed payments, variable lease payments depending on indexes or rates, guaranteed residual values, the exercise price of a purchase option that is reasonably assured to be exercised, and lease termination penalties that are reflected in the lease term, net of any lease incentives payable. Net investment in leases is based on the sum of the present value of both lease payments receivable and unguaranteed residual value, and is expressed as finance lease receivables. The Group applies a systematic and rational basis for allocating the financing income over the lease term to reflect the fixed rate of return available to the Group on its net investment in outstanding leases from period to period.

Under an operating lease, lease payments, net of lease incentives, are recognized as lease revenue on a straight-line basis. The original direct costs incurred to acquire an operating lease are added to the carrying amount of the underlying asset and are recognized as expenses over the lease term on the same basis as lease income.

12. Investment property

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

Investment property is measured initially at cost (including transaction costs) and subsequently at cost less accumulated depreciation and accumulated impairment losses. The Group provides depreciation on a straight-line basis.

Investment property under construction is stated at cost less accumulated impairment losses. Cost includes professional fees and borrowing costs eligible for capitalization. Depreciation of these assets commences when the assets reach the end of their useful lives.

Gains or losses arising from the derecognition of investment property are recognized in current profit or loss as the difference between the net disposal price and the carrying amount of the asset.

13. Intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortization and accumulated impairment. Amortization is provided on a straight-line basis over the following useful lives: computer software design fees over three years; and patents over economic benefits or contractual lives. The estimated useful lives and amortization methods are reviewed at the end of the reporting period, and the effects of any changes in estimates are deferred.

Intangible assets are derecognized when they are disposed of or when no future economic benefits are expected from their use or disposal. The amount of the gain or loss arising from the derecognition of an intangible asset is the difference between the net disposal price and the carrying amount of the asset and is recognized in current profit or loss.

14. Impairment of non-financial assets

The Group estimates the recoverable amount of an asset for which there is an indication of impairment at the balance sheet date. An impairment loss is recognized when the recoverable amount is less than the carrying amount of the asset. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. An impairment loss is reversed to the extent of the loss recognized in prior years if the impairment loss does not exist in prior years.

15. Provision for liabilities

Provisions for liabilities are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions for liabilities are measured at the best estimate of the present value of the expenditures required to settle the obligation at the balance sheet date, discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, with amortization of the discount recognized as interest expense. No provision for future operating losses is recognized for the liability.

16. Employee benefits/welfare

(1) Short-term employee benefits

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

(2) Pension expense

Defined contribution plan

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

(3) Compensation for employees, directors and supervisors

Compensation to employees, directors and supervisors is recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If the actual amount of compensation is different from the estimated amount, the difference is accounted for as a change in accounting estimate.

(4) Termination benefits

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

17. Capital stock and treasury shares

(1) Capital stock

Common stock is classified as equity. The classification of preferred shares is based on an assessment of the substance of the contractual agreements and the definitions of a financial liability and an equity instrument with respect to the specific rights attached to the preferred shares, which are classified as liabilities when the essential characteristics of a financial liability are present, and as equity when the basic characteristics of a financial liability are not present. Incremental costs directly attributable to the issuance of new shares or options are recognized in equity as a reduction of the price.

(2) Treasury shares

The Group recognizes "treasury shares" as a deduction from equity for the consideration paid for the shares, including directly attributable costs, at the time of purchase. If the disposal price of treasury share exceeds the carrying amount, the difference is recognized as capital surplus - treasury share transactions; if the disposal price is less than the carrying amount, the difference is offset against capital surplus from treasury share transactions of the same type, or, if the difference is not sufficient, is debited to retained earnings. The carrying value of treasury share is weighted-average and is determined based on the reason for recovery.

Upon cancellation of treasury share, capital surplus - stock issuance premium and capital share are debited in proportion to the Company's equity. If the carrying value of treasury share exceeds the sum of the par value and the stock issuance premium, the difference is credited to capital surplus from treasury stock of the same type, or if the difference is not sufficient, it is credited to retained earnings. If the carrying value is less than the sum of the par value and the issue premium, the capital surplus from treasury share of the same type is credited to capital surplus.

18. Income tax

(1) The income tax expense includes current and deferred income tax. Income tax is recognized in profit or loss except to the extent that it relates to items included in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or directly in equity, respectively.

(2) Current income tax is calculated on the basis of the taxable income generated by the Group using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates the status of income tax returns in light of applicable income tax regulations and, where applicable, estimates income tax liabilities based on the expected amount of taxes to be paid to the tax authorities. Income tax expense on undistributed earnings is calculated in accordance with the ROC Income Tax Law and will be recognized on the actual distribution of earnings in the year following the year in which the earnings are generated and after the approval of earnings distribution by the shareholders in a shareholders' meeting.

(3) Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. Deferred income tax liabilities arising from the original recognition of goodwill are not recognized. Deferred income tax is not recognized if the deferred income tax arises from the original recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither the accounting profit nor taxable profit or loss (taxable loss) and, at the time of the transaction, no taxable and deductible temporary difference arises from the same taxable and deductible temporary difference. Temporary differences arising on investments in subsidiaries are not recognized if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

(4) Deferred tax assets are recognized for temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future tax benefits will be available against which they can be utilized. Unrecognized and recognized deferred tax assets are reassessed at the end of each reporting period.

(5) Current income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and when there is an intention to settle on a net basis, or to realize the assets and liabilities simultaneously. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities arise from the same taxable entity subject to the same taxation authority, or from different taxable entities that intend to settle or realize the assets and liabilities simultaneously on a net basis.

(6) Tax credits for purchases of equipment or technology, research and development expenses, personnel training expenses, and equity investments are accounted for as income tax credits.

19. Revenue recognition

The Group recognizes revenue from customer contracts in the following manner:

(1) Identify customer contracts;

(2) Identify the performance obligations in the contracts;

(3) Determine the transaction price;

(4) Allocate the transaction price to the performance obligations in the contracts; and

(5) Recognize revenue when the performance obligations are satisfied.

For contracts with a time lag between the transfer of goods or services and the receipt of consideration of less than one year, the significant financial components are not adjusted to the transaction price.

A. Revenue from sales of goods

Revenue from sales of goods is derived from the sale of cement, limestone and processed cement products. Revenue is recognized when control of the product is transferred to the customer, at which point the Company recognizes revenue and accounts receivable, net of sales returns, volume discounts and discounts, because the customer has the right to set the price and use the goods, has the primary responsibility for remarketing, and bears the risk of obsolescence.

Revenue is not recognized for processing of materials because ownership of the processed products has not been transferred.

B. Revenue of buildings and land sold

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

C. Construction revenue

For real estate construction contracts where the real estate is under the control of the customer during the construction process, the Group recognizes revenue gradually over time. As the cost of construction is directly related to the degree of fulfillment of the contractual obligations, the Group measures the progress of completion based on the proportion of the actual cost incurred to the expected total cost. The Group recognizes contract assets gradually during the construction process and transfers them to accounts receivable at the time of billing. If the amount received exceeds the amount of revenue recognized, the difference is recognized as a contract liability. Retention amount withheld by the customer under the terms of the contract to ensure that the Group will fulfill all contractual obligations is recognized as a contract asset until the Group's performance is completed.

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

20. Borrowing costs

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

Investment income earned on specific borrowings that are temporarily invested before qualifying capital expenditures are incurred is deducted from borrowing costs eligible for capitalization.

Other than the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## (V) Major Sources of Uncertainty to Significant Accounting Judgments, Estimates, and Assumptions

When preparing these consolidated financial statements, the Group has made significant judgments, significant accounting estimates and assumptions in the adoption of accounting policies as follows:

1. Significant judgments in the adoption of accounting policies

(1) Operating model judgments for financial asset classification

The Group assesses the business model of a financial asset on the basis of a hierarchy that reflects the collective management of groups of financial assets for specific business purposes. This assessment requires the use of judgment, taking into account all relevant evidence, including how asset performance is measured, the risks affecting performance and the manner in which the remuneration of the relevant managers is determined. The Group continually evaluates the appropriateness of its operating model judgments and, for this purpose, monitors financial assets at amortized cost and investments in debt instruments at fair value through other comprehensive income that are derecognized prior to maturity to understand the reasons for the disposition in order to assess whether the disposition is consistent with the objectives of the operating model. If a change in the business model is identified, the Group reclassifies the financial assets in accordance with IFRS 9, with deferred application from the date of reclassification.

(2) Revenue recognition

In accordance with IFRS 15, the Group determines whether it has or has not obtained control of specific goods or services before transferring them to customers and will be the principal or agent in the transaction, and recognizes the net amount of the transaction as revenue if it is determined to be the agent in the transaction.

The Group is the principal if one of the following applies:

A. The Group obtains control of the goods or other assets from another party before they are transferred to the customer; or

B. The Group controls the right to supply labor from another party so as to have the ability to direct that party to supply labor to customers on the Group's behalf; or

C. The Group obtains control of goods or services from another party for the purpose of combining them with other goods or services to provide specific goods or services to customers.

Indicators used to determine whether the Company controls a particular good or service before it is transferred to a customer include, but are not limited to, the following:

A. The Group has the primary responsibility for fulfilling its commitments to supply specific goods or services.

B. The Group assumes inventory risk before and after the transfer of the specified goods or services to customers.

C. The Group has the discretion to set prices.

(3) Lease term

In determining the lease term, the Group considers all relevant facts and circumstances that give rise to an economic incentive to exercise (or not to exercise) the option, including all anticipated changes in facts and circumstances from the commencement date to the date the option is exercised. Factors considered include the terms and conditions of the contract for the period covered by the option, significant leasehold improvements made (or expected to be made) during the contract period and the significance of the subject asset to the Group's operations. Lease terms are reassessed when significant events or changes in circumstances within the Group's control occur.

(4) Judgment of substantial control over affiliates

The Group holds 40% of the shares of Penghu Cable Television Co., Ltd. and is the single largest shareholder. Considering the extent and distribution of other shareholders' voting rights, the other shareholdings are not extremely dispersed and the Group is not yet in a position to dominate the relevant activities of Penghu Cable Television Co., Ltd. and therefore does not have control over Penghu Cable Television Co., Ltd. The management of the Group considers that it has only significant influence over Penghu Cable Television Co., Ltd. and therefore classifies it as an associate of the Group.

2. Significant accounting estimates and assumptions

(1) Estimated impairment of financial assets

The estimated impairment of accounts receivable is based on the Group's assumptions about default rates and expected loss rates. The Group considers historical experience, current market conditions and forward-looking information to make assumptions and select inputs for impairment assessment. If actual future cash flows are less than expected, a significant impairment loss may arise.

(2) Fair value measurement and valuation process

When assets and liabilities measured at fair value do not have a quoted market price in an active market, the Group determines whether to outsource the valuation in accordance with relevant laws and regulations or on a judgmental basis, and decides on the appropriate fair value valuation techniques. If Level 1 inputs are not available at the time of fair value estimation, the Group determines the inputs with reference to the analysis of the investee's financial condition and results of operations, recent transaction prices, quoted prices in non-active markets for identical equity instruments, quoted prices in active markets for similar instruments, and valuation multipliers for comparable companies, etc. If actual future changes in inputs are different from those anticipated, fair value changes may occur. The Group monitors the appropriateness of fair value measurements by periodically updating each input based on market conditions.

(3) Assessment of impairment of tangible and intangible assets

In the process of assessing asset impairment, the Group relies on subjective judgment to determine the independent cash flows, asset lives and potential future revenues and expenses for a specific group of assets based on the usage pattern of the assets and the characteristics of the industry. Any changes in estimates due to changes in economic conditions or corporate strategies may result in significant impairment losses in the future.

(4) Assessment of impairment of investments accounted for using the equity method

The Group assesses the impairment of an investment using the equity method when there is an indication that the investment may be impaired and the carrying amount may not be recoverable. The Group assesses the recoverable amount and analyzes the reasonableness of the assumptions used to estimate the recoverable amount based on the discounted present value of expected future cash flows from the investee, or the discounted present value of expected cash dividends to be received and future cash flows to be generated from the disposal of the investment.

(5) Realizability of deferred income tax assets

Deferred income tax assets are recognized to the extent that it is probable that sufficient taxable income will be available in the future to allow the deductions to be utilized. The assessment of the realizability of deferred income tax assets requires management's significant accounting judgments and estimates, including assumptions about expected future sales revenue growth and profitability, tax exemption periods, available income tax credits, and tax planning. Any changes in the global economic environment, changes in the industry environment, and changes in laws and regulations may result in significant adjustments to deferred income tax assets.

(6) Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group is required to perform judgment and estimates to determine the net realizable value of inventories at the balance sheet date. The Group assesses the amount of inventories at the balance sheet date that is attributable to normal wear and tear, obsolescence or unmarketable value, and reduces the cost of inventories to their net realizable value.

(7) Incremental borrowing rate of the lessee

In determining the lessee's incremental borrowing rate used to discount lease payments, the risk-free interest rate for the same currency and relevant period is used as the reference rate, and the estimated lessee's credit risk discount and lease-specific adjustments (such as asset-specific and guaranteed factors) are taken into consideration.

## (VI) Descriptions of Material Accounting Items

1. Cash and cash equivalents

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Cash | $ 729 | $ 534 |
| Checking account deposits | 6,012 | 3,351 |
| Demand deposits | 339,668 | 172,239 |
| Cash equivalents | | |
| Short-term notes and bills and time deposits due within three months of the original maturity date | 202,038 | 111,763 |
| Total | $ 548,447 | $ 287,887 |

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

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

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

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Non-derivative financial assets | | |
| Listed shares | $ 154,168 | $ 156,532 |
| Open-ended funds and ETFs | 33,250 | 66,830 |
| Bonds | 23,868 | 17,996 |
| Total | $ 211,286 | $ 241,358 |

(1) The net (losses) gains recognized by the Group for the years ended December 31, 2024 and 2023 were NT$529 thousand, NT$15,573 thousand, respectively.

(2) The Group has not provided any pledges for financial assets at fair value through profit or loss.

(3) For more details on the related credit risk management and evaluation methods, please refer to Note XII.

3. Notes receivable, net

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Measured at amortized cost | | |
| Total book value | $ 284,939 | $ 239,231 |
| Less: Loss allowance | (172) | (187) |
| Notes receivable, net | $ 284,767 | $ 239,044 |

(1) The Group did not pledge any notes receivable.

(2) For related disclosures about the allowance for bad debts of notes receivable, please refer to Note VI(IV).

4. Accounts receivable, net

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Measured at amortized cost | | |
| Total book value | $ 472,345 | $ 323,435 |
| Less: Loss allowance | (339) | (331) |
| Accounts receivable, net | $ 472,006 | $ 323,104 |

(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 of 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, 2024 | Expected credit loss rate | Total book value | Loss allowance (lifetime expected credit loss) | Amortized cost |
|---|---|---|---|---|
| Not overdue | 0%-2% | $ 809,667 | $ (251) | $ 809,416 |
| Overdue 0-90 days | 0%-5% | - | - | - |
| Overdue 91-180 days | 0%-25% | - | - | - |
| Overdue 181-365 days | 0%-50% | - | - | - |
| Overdue for more than 365 days | 0%-100% | - | - | - |
| The counterpart has shown signs of impairment | 100% | 300 | (300) | - |
| Total | | $ 809,967 | $ (551) | $ 809,416 |

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

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

| Item(s) | 2024 | 2023 |
|---|---|---|
| Beginning balance | $ 551 | $ 3,579 |
| Add: Recognition of impairment losses | - | - |
| Less: Reversal of impairment losses | - | (2,965) |
| Less: Write-off due to uncollectibility | - | (63) |
| Ending balance | $ 551 | $ 551 |

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

If there is evidence that the counterparty is experiencing severe financial difficulties and the Group cannot reasonably expect to recover the amount due, the Group directly writes off the related accounts receivable directly, although collection efforts will continue, with any amounts collected recognized in the profit and loss. Accounts receivable with contract amounts written off for the years ended December 31, 2024 and 2023 were NT$0 thousand and NT$63 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.

5. Other receivables

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Lease payments receivable | $ 1,339 | $ - |
| Interests receivable | 257 | 225 |
| Other receivable | 686 | 764 |
| Subtotal | $ 2,282 | $ 989 |
| Less: Loss allowance | - | - |
| Net | $ 2,282 | $ 989 |

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Undiscounted lease payments | | |
| Year 1 | $ 1,428 | $ - |
| Year 2 | 1,428 | - |
| Year 3 | 1,428 | - |
| Year 4 | 1,428 | - |
| Total | $ 5,712 | $ - |
| Less: Unearned finance income | (216) | - |
| Less: Loss allowance | - | - |
| Lease payments receivable | $ 5,496 | $ - |
| Unguaranteed residual value | $ - | $ - |
| Less: Unearned finance income | - | - |
| Present value of unguaranteed residual value | $ - | $ - |
| The net amount of lease investments listed as finance lease receivable. | $ 5,496 | $ - |
| Lease payments receivable (recorded under other receivables) | $ 1,339 | $ - |
| Long-term lease payments receivable (recorded under other non-current assets) | $ 4,157 | $ - |

The Group signed a financing lease agreement in December 2023 to sublet the 8th floor of the Southeast Building, which was under lease, to the Bureau of Employment Training of the Ministry of Labor with the average lease term of 5 years and a fixed rental payment of NT$714 thousand collected every six months. Since the sublease period corresponds to all the remaining periods of the main lease, the Group classifies this lease as a finance lease.

6. Inventories and Cost of sales

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Manufacturing Department: | | |
| Primary fuel | $ 8,386 | $ 9,180 |
| Materials | 191 | 45 |
| Finished goods | 64,205 | 26,285 |
| Net - Manufacturing Department | $ 72,782 | $ 35,510 |
| Construction Department: | | |
| Land construction | $ 423,446 | $ 423,446 |
| Construction in progress | 696,553 | 729,811 |
| Net - Construction Division | $ 1,119,999 | $ 1,153,257 |
| Total | $ 1,192,781 | $ 1,188,767 |

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

| Item(s) | 2024 | 2023 |
|---|---|---|
| Disposal of inventory cost | $ 2,002,431 | $ 1,992,093 |
| Other operating cost | 43,089 | 35,551 |
| Unallocated manufacturing cost | - | 36,934 |
| Inventory impairment losses and slow-moving losses recognition (gain on reversal) | - | 5,061 |
| Manufacturing Department | $ 2,045,520 | $ 2,069,639 |
| Cost of buildings and land sold | 303,196 | - |
| Construction costs | 1,203 | - |
| Total operating costs | $ 2,349,919 | $ 2,069,639 |

(2) The Group wrote down its inventory to net realizable value for the years ended December 31, 2024 and 2023. The recognized inventory impairment losses and slow-moving losses recognition (gain on reversal) amounted to NT$0 thousand and NT$5,061 thousand, respectively.

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

(4) Inventory additions and cash flow statement for the current period are reconciled as follows:

| Item(s) | 2024 | 2023 |
|---|---|---|
| (Increase) decrease in inventories | $ (4,014) | $ (172,615) |
| Transferred to property, plant and equipment | (9,343) | (9,505) |
| Cash received (paid) for decrease (increase) in inventories | $ (13,357) | $ (182,120) |

7. Prepayments

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Prepayments for material purchases | $ 12,126 | $ 11,611 |
| Prepayments for insurance premiums | 1,091 | 601 |
| Offset against business tax payable | 59,373 | 50,813 |
| Other prepaid | 9,149 | 2,898 |
| Total | $ 81,739 | $ 65,923 |

8. Non-current assets held for sale

Due to business operational considerations, the Group signed a sales contract in June 2023 with North-Star International Co., Ltd. for the sale of land, buildings, and equipment located at Land No. 1081, Zhonglinzi Section, Xiaogang District, Kaohsiung City. The contract price is NT$1,084,296 thousand (including tax), and the related assets have been reclassified as available-for-sale assets - non-current. The transfer of ownership of the land, buildings, and equipment related to the transaction target was completed in August 2023, resulting in a gain from the disposal of available-for-sale assets - non-current amounted to NT$167,435 thousand. As of December 31, 2023, the sale proceeds have been fully recovered.

9. Other financial assets - Current

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Time deposits with an original maturity of more than 3 months | | |
| Time deposits in NT$ | $ 110,000 | $ 30,107 |
| Time deposits in Foreign Currency | - | 63,522 |
| Total | $ 110,000 | $ 93,629 |
| Interest Rate Range | 1.3%-1.725% | 0.78%-5.35% |

10. Acquisition of Incremental Costs of Contract - Current

The Group expects to recover commissions paid to sales agents or bonuses for internally selling properties under land sale contracts, hence recognized as assets. However, the sales agent defaulted on its sales obligations in 2024 and the Group was unable to recover this amount. Therefore, it was recognized as non-operating - other losses.

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

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Non-current | | |
| Equity instruments | | |
| Domestic listed companies' stocks | $ 239,223 | $ 281,446 |
| Domestic unlisted company stocks | 323,750 | 353,321 |
| Subtotal | $ 562,973 | $ 634,767 |
| Valuation adjustment | 1,021,117 | 787,029 |
| Total | $ 1,584,090 | $ 1,421,796 |

(1) The Group invests in the above 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) For the years ended December 31, 2024 and 2023, the Group adjusted its investment positions to diversify risks and sold some stocks at fair value. The unrealized gains/(losses) of other equity investments measured at fair value through other comprehensive income in an amount of NT$(6,610) thousand and NT$(197) thousand respectively were transferred to retained earnings.

(3) For related credit risk management and evaluation methods, please refer to the detailed explanation in Note XII.

(4) The Group has not pledged any financial assets at fair value through other comprehensive income.

12. Investments accounted for using equity method

| Investee | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| Significant associates: | | | | |
| Taiwan Machinery Shipyard Co., Ltd. | $ | 359,027 | $ | 330,462 |
| Penghu Cable Television Co., Ltd. | | 123,873 | | 122,850 |
| Subtotal | $ | 482,900 | $ | 453,312 |
| Individual associates that are not significant | $ | 140,815 | $ | 134,273 |
| Total | $ | 623,715 | $ | 587,585 |

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

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

For the nature of business, principal place of business, and country of incorporation of the associates, please refer to Table 7 of Note XIII.

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

A. Balance Sheet

| | Taiwan Machinery Shipyard Co., Ltd. | |
|---|---|---|
| | December 31, 2024 | December 31, 2023 |
| Current assets | $ 441,506 | $ 433,215 |
| Non-current assets | 1,274,313 | 1,180,388 |
| Current liabilities | (413,141) | (401,879) |
| Non-current liabilities | (116,766) | (126,000) |
| Equity | $ 1,185,912 | $ 1,085,724 |
| Share of the associate's net assets | $ 374,314 | $ 342,692 |
| Unrealized gain (loss) on transactions with associates | (15,287) | (12,230) |
| Book value of associates | $ 359,027 | $ 330,462 |

| | Penghu Cable Television Co., Ltd. | |
|---|---|---|
| | December 31, 2024 | December 31, 2023 |
| Current assets | $ 239,914 | $ 337,148 |
| Non-current assets | 121,702 | 122,977 |
| Current liabilities | (23,027) | (120,666) |
| Non-current liabilities | (28,906) | (32,333) |
| Equity | $ 309,683 | $ 307,126 |
| Share of the associate's net assets | $ 123,873 | $ 122,850 |
| Book value of associates | $ 123,873 | $ 122,850 |

B. Statement of Comprehensive Income

| | Taiwan Machinery Shipyard Co., Ltd. | |
|---|---|---|
| Company Name | 2024 | 2023 |
| Operating revenue | $ - | $ 500 |
| Profit (loss) | $ (4,527) | $ (3,980) |
| Other comprehensive income (net of tax) | 94,857 | 20,504 |
| Total comprehensive income | $ 90,330 | $ 16,524 |
| Dividends received from the associates | $ - | $ - |

| Company Name | Penghu Cable Television Co., Ltd. 2024 | 2023 |
|---|---|---|
| Operating revenue | $ 104,713 | $ 110,520 |
| Profit (loss) | $ 23,925 | $ 28,655 |
| Other comprehensive income (net of tax) | (1,368) | (739) |
| Total comprehensive income | $ 22,557 | $ 27,916 |
| Dividends received from the associates | $ 8,000 | $ 24,000 |

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

| | 2024 | 2023 |
|---|---|---|
| Share entitled: | | |
| Profit (loss) | $ 7,859 | $ 2,619 |
| Other comprehensive income (net of tax) | 1,165 | 82 |
| Total comprehensive income | $ 9,024 | $ 2,701 |

(B) Investments accounted for using the equity method and the Group's share of their profit or loss and other comprehensive income are based on financial statements audited by the independent auditors.

(3) As of December 31, 2024 and 2023, the investments accounted for using the equity method by the Group were not pledged.

13. Property, plants and equipment

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Land | $ 346,728 | $ 346,728 |
| Buildings and structures | 157,377 | 382,316 |
| Machinery and equipment | 265,601 | 996,821 |
| Transportation equipment | 81,259 | 45,475 |
| Other facilities | 58,432 | 67,888 |
| Equipment under acceptance and unfinished projects | 383,435 | 239,619 |
| Total Cost | $ 1,292,832 | $ 2,078,847 |
| Less: Accumulated depreciation | (170,291) | (1,064,196) |
| Accumulated impairment | - | (34,568) |
| Total | $ 1,122,541 | $ 980,083 |

| Costs | Land | Buildings and structures | Machinery and equipment | Transportation equipment | Other facilities | Equipment under acceptance and unfinished projects | Total |
|---|---|---|---|---|---|---|---|
| Balance as of January 1, 2024 | $ 346,728 | $ 382,316 | $ 996,821 | $ 45,475 | $ 67,888 | $ 239,619 | $ 2,078,847 |
| Addition | - | - | - | 171 | 82 | 220,120 | 220,373 |
| Inventory transfers | - | - | - | - | - | 9,343 | 9,343 |
| disposal | - | (228,149) | (737,794) | (5,205) | (11,453) | - | (982,601) |
| Transferred to expenses | - | - | - | - | - | (145) | (145) |
| Reclassification | - | 3,210 | 6,574 | 40,818 | 1,915 | (52,517) | - |
| Transferred to refundable deposits | - | - | - | - | - | (952) | (952) |
| Transferred to investment property | - | - | - | - | - | (31,263) | (31,263) |
| Transferred to intangible assets | - | - | - | - | - | (770) | (770) |
| Balance as of December 31, 2024 | $ 346,728 | $ 157,377 | $ 265,601 | $ 81,259 | $ 58,432 | $ 383,435 | $ 1,292,832 |
| **Accumulated Depreciation and Impairment** | | | | | | | |
| Balance as of January 1, 2024 | $ - | $ 291,942 | $ 751,032 | $ 15,488 | $ 40,302 | $ - | $ 1,098,764 |
| Depreciation expense | - | 8,412 | 31,674 | 10,857 | 3,111 | - | 54,054 |
| Disposal | - | (228,149) | (737,794) | (5,131) | (11,453) | - | (982,527) |
| Balance as of December 31, 2024 | $ - | $ 72,205 | $ 44,912 | $ 21,214 | $ 31,960 | $ - | $ 170,291 |

| Costs | Land | Buildings and structures | Machinery and equipment | Transportation equipment | Other facilities | Equipment under acceptance and unfinished projects | Total |
|---|---|---|---|---|---|---|---|
| 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 |
| Transferred to investment property | - | - | - | - | - | (51,293) | (51,293) |
| Transferred to non-current assets held for sale | (581,400) | (77,961) | (229,208) | - | - | - | (888,569) |
| Balance as of 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) |
| Recognition of impairment losses | - | 238 | 49,764 | - | - | - | 50,002 |
| Balance as of December 31, 2023 | $ - | $ 291,942 | $ 751,032 | $ 15,488 | $ 40,302 | $ - | $ 1,098,764 |

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

| Item(s) | 2024 | 2023 |
|---|---|---|
| Increase in property, plant and equipment | $ 220,373 | $ 405,050 |
| Increase or decrease in payable for machinery and equipment purchase | (15,566) | 7,367 |
| Cash paid for the purchase of property, plant and equipment | $ 204,807 | $ 412,417 |

(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 at its Kaohsiung plant. As the carrying value of the related buildings and equipment can no longer be recovered through use or sale, impairment losses have been recognized based on their estimated residual value for disposal. The impairment losses recognized for the years ended December 31, 2024 and 2023 amounted to NT$0 thousand and NT$50,002 thousand, respectively.

(4) Information on assets provided as collateral using property, plant and equipment: None.

14. Lease Agreement

(1) Right-of-use assets

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Land | $ 248,908 | $ 444,571 |
| Buildings | 499,462 | 499,255 |
| Transportation equipment | 9,858 | 6,060 |
| Total Cost | $ 758,228 | $ 949,886 |
| Less: Accumulated depreciation | (160,115) | (322,057) |
| Accumulated impairment | - | - |
| Net | $ 598,113 | $ 627,829 |

| Costs | Land | Buildings | Transportation equipment | Total |
|---|---|---|---|---|
| Balance as of January 1, 2024 | $ 444,571 | $ 499,255 | $ 6,060 | $ 949,886 |
| Increase in this period | 25,087 | 207 | 4,838 | 30,132 |
| Decrease in this period | (220,750) | - | (1,040) | (221,790) |
| Balance as of December 31, 2024 | $ 248,908 | $ 499,462 | $ 9,858 | $ 758,228 |
| **Accumulated Depreciation and Impairment** | | | | |
| Balance as of January 1, 2024 | $ 270,273 | $ 49,723 | $ 2,061 | $ 322,057 |
| Depreciation expense | 22,987 | 22,219 | 3,084 | 48,290 |
| Decrease in this period | (209,192) | - | (1,040) | (210,232) |
| Balance as of December 31, 2024 | $ 84,068 | $ 71,942 | $ 4,105 | $ 160,115 |

| Costs | | 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 this period | | (37,916) | | (8,640) | | (4,220) | | (50,776) |
| Balance as of 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 this period | | - | | - | | (4,220) | | (4,220) |
| Balance as of December 31, 2023 | $ | 270,273 | $ | 49,723 | $ | 2,061 | $ | 322,057 |

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

| Item(s) | | 2024 | | 2023 |
|---|---|---|---|---|
| Increase in right-of-use assets | $ | 30,132 | $ | 39,511 |
| Increase in lease liabilities | | (29,925) | | (7,061) |
| Increase or decrease in payable for the purchase of right-of-use assets | | 233 | | 600 |
| Cash paid for the purchase of right-of-use assets | $ | 440 | $ | 33,050 |

(3) Lease liabilities

| Item(s) | | December 31, 2024 | | December 31, 2023 |
|---|---|---|---|---|
| Book value of lease liabilities | | | | |
| Current | $ | 39,205 | $ | 38,976 |
| Non-current | $ | 484,808 | $ | 504,194 |

The discount rate range of lease liabilities is as follows:

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Land | 0.78%-2.03% | 0.78%-2.03% |
| Buildings | 0.78%-2.03% | 0.78%-1.756% |
| Transportation equipment | 1.724%-2.283% | 1.16%-2.13% |

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. Furthermore, according to the terms of the contract, the Company may not sublease the leased asset to another party. As of December 31, 2024 and 2023, there were no indicators of impairment for right-of-use assets, hence no impairment assessment was conducted.

(5) Sublease:

The Group has subleased the 8th floor of the Southeast Building to the Bureau of Vocational Training of the Ministry of Labor through an operating lease, and the related right-of-use assets are derecognized due to the sublease, while the lease payments receivable are recognized at the same time. Revenues from subleasing right-of-use assets for the years ended December 31, 2024 and 2023 were NT$112 thousand and NT$13 thousand, respectively.

(6) Other lease information

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

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

| Item(s) | 2024 | | 2023 | |
|---|---|---|---|---|
| Short-term lease expenses | $ | 16,668 | $ | 1,064 |
| Leasing Expenses for Low-value Assets | $ | - | $ | - |
| Changes in rental payment expenses not included in the measurement of lease liabilities | $ | 98,908 | $ | 67,331 |
| Total cash outflow from leases (Note) | $ | (151,223) | $ | (120,902) |

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

The Group chose to apply the exemptions for short-term leases and low-value leases for the years ended December 31, 2024 and 2023, without recognizing right-of-use assets and lease liabilities related to such leases.

15. Investment property

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Land | $ 5,728,736 | $ 5,582,213 |
| Houses, buildings and equipment | 154,233 | 154,233 |
| Investment property under construction | 4,112 | 1,742 |
| Total Cost | $ 5,887,081 | $ 5,738,188 |
| Less: Accumulated depreciation | (110,367) | (106,889) |
| Accumulated impairment | - | - |
| Net | $ 5,776,714 | $ 5,631,299 |

| | Land | Houses, buildings and equipment | Investment property under construction | Total |
|---|---|---|---|---|
| Costs | | | | |
| Balance as of January 1, 2024 | $ 5,582,213 | $ 154,233 | $ 1,742 | $ 5,738,188 |
| Addition | 115,260 | - | 2,370 | 117,630 |
| Disposal | - | - | - | - |
| Transfer of property, plants and equipment to investment property | 31,263 | - | - | 31,263 |
| Balance as of December 31, 2024 | $ 5,728,736 | $ 154,233 | $ 4,112 | $ 5,887,081 |
| Accumulated Depreciation and Impairment | | | | |
| Balance as of January 1, 2024 | $ - | $ 106,889 | $ - | $ 106,889 |
| Depreciation expense | - | 3,478 | - | 3,478 |
| Disposal | - | - | - | - |
| Balance as of December 31, 2024 | $ - | $ 110,367 | $ - | $ 110,367 |

| | Land | Houses, buildings and equipment | Investment property under construction | Total |
|---|---|---|---|---|
| Costs | | | | |
| 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) |
| Transfer of property, plants and equipment to investment property | 51,293 | - | - | 51,293 |
| Balance as of 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 as of December 31, 2023 | $ - | $ 106,889 | $ - | $ 106,889 |

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

| Item(s) | 2024 | 2023 |
|---|---|---|
| Lease income from investment property | $ 156,408 | $ 153,123 |
| Direct operating expenses incurred on investment property that generated lease income in the current period | $ 42,976 | $ 59,205 |
| Direct operating expenses incurred on investment property that did not generate lease income in the current period. | $ 392 | $ 373 |

(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, 2024 | December 31, 2023 |
| Year 1 | $ 3,590 | $ 3,573 |
| Year 2 | 3,590 | 3,590 |
| Year 3 | 3,680 | 3,590 |
| Year 4 | 3,698 | 3,680 |
| Year 5 | 3,698 | 3,698 |
| More than 5 years | 23,813 | 27,511 |
| Total | $ 42,069 | $ 45,642 |

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

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Fair value | $ 18,297,371 | $ 17,949,724 |

(4) As of December 31, 2024 and 2023, certain lands of the Group are temporarily registered under individual names due to legal restrictions and cannot be registered under the Company's name. However, to ensure equity, the Group has obtained the commitment of the registrant to unconditionally transfer land to the Group or create legal charge over the land once the legal restrictions are lifted.

(5) For information on investment property provided as collateral, please refer to Note VIII.

16. Intangible assets

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Computer software cost | $ 812 | $ 59 |
| Less: Accumulated amortization | (59) | (33) |
| Net | $ 753 | $ 26 |

| Costs | Computer software | Costs | Computer software |
|---|---|---|---|
| Balance as of January 1, 2024 | $ 59 | Balance at January 1, 2023 | $ 56 |
| Addition | - | Addition | 17 |
| Transferred to property, plants and equipment | 770 | Transferred to property, plants and equipment | - |
| Derecognition upon maturity | (17) | Derecognition upon maturity | (14) |
| Balance as of December 31, 2024 | $ 812 | Balance as of December 31, 2023 | $ 59 |
| Accumulated depreciation | Computer software | Accumulated depreciation | Computer software |
| Balance as of January 1, 2024 | $ 33 | Balance at January 1, 2023 | $ 16 |
| Amortization expense | 43 | Amortization expense | 31 |
| Derecognition upon maturity | (17) | Derecognition upon maturity | (14) |
| Balance as of December 31, 2024 | $ 59 | Balance as of December 31, 2023 | $ 33 |

17. Refundable Deposits

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Lease deposit | $ 17,062 | $ 19,692 |
| Construction deposit | 10,081 | 10,081 |
| Other deposits | 3,448 | 6,358 |
| Total | $ 30,591 | $ 36,131 |

18. Short-term loans

| | December 31, 2024 | |
|---|---|---|
| Nature of Loans | Amount | Interest rate |
| Mortgage loans | $ 800,000 | 1.87%-1.8899% |
| Credit loans | 466,774 | 1.85%-2.744419% |
| Total | $ 1,266,774 | |

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

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

19. Short-term notes and bills payable

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Commercial papers payable | $ 72,000 | $ 295,000 |
| Less: Unamortized discount | (49) | (205) |
| Net | $ 71,951 | $ 294,795 |
| Interest Rate Range | 2.3% | 1.758%-2.22% |

20. Contract liabilities- Current

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| To-be-recognized Cement expenses | $ 26,980 | $ 43,573 |
| Advance receipts from sale of goods | 272 | 108 |
| Total | $ 27,252 | $ 43,681 |

21. Other payables

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Salary and bonus payable | $ 23,831 | $ 17,852 |
| Utility payable | 1,551 | 1,057 |
| Tax payable | 1,968 | 5,536 |
| Compensation due to employees and directors - the Company | 23,648 | 11,502 |
| Compensation due to employees and directors - subsidiaries | 15,209 | 1,901 |
| Payable on machinery and equipment - Property, plant and equipment | 20,646 | 5,080 |
| Payable on machinery and equipment - Right-of-use assets | - | 233 |
| Payable on machinery and equipment - Investment property | 2,370 | - |
| Accrued factory demolition expenses | 17,786 | 55,580 |
| Others | 53,478 | 42,904 |
| Total | $ 160,487 | $ 141,645 |

22. Provisions-Current

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Employee benefits/welfare | $ 2,085 | $ 1,769 |

| Item(s) | Employee benefits/welfare | Item(s) | Employee benefits/welfare |
|---|---|---|---|
| January 1, 2024 | $ 1,769 | January 1, 2023 | $ 1,441 |
| Current additions to Provisions | 2,085 | Current additions to Provisions | 1,769 |
| Current use of Provisions | (1,769) | Current use of Provisions | (1,441) |
| December 31, 2024 | $ 2,085 | December 31, 2023 | $ 1,769 |

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

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

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Credit loans | $ 411,370 | $ 265,900 |
| Less: Due within one year | (50) | - |
| Total | $ 411,320 | $ 265,900 |
| Interest Rate Range | 2.22% | 2.095% |

24. Pension expense

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

(2) The Group recognized retirement benefit costs in accordance with the above pension act, amounting to NT$3,804 thousand and NT$4,319 thousand for the years ended December 31, 2024 and 2023, respectively.

25. Deposits received

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Lease deposit | $ 7,539 | $ 8,552 |
| Cement deposit | 2,882 | 2,882 |
| Others | 4,897 | 4,897 |
| Total | $ 15,318 | $ 16,331 |

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

26. Ordinary share(s)

| Item(s) | 2024 | | 2023 | |
|---|---|---|---|---|
| | Shares (in thousands) | Amount | Shares (in thousands) | Amount |
| January 1 | 572,000 | $ 5,720,008 | 572,000 | $ 5,720,008 |
| Cash capital increase | - | - | - | - |
| Capitalization of earnings | - | - | - | - |
| December 31 | 572,000 | $ 5,720,008 | 572,000 | $ 5,720,008 |

As of December 31, 2024, the Company had a registered capital of NT$8,000,000 thousand, divided into 800,000 thousand shares.

27. Capital surplus

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

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.

28. Retained Earnings and Dividend Policy

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

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

(2) The statutory surplus reserve may not be utilized except for offsetting company losses or issuing new shares or cash dividends in proportion to existing shareholders' equity. However, in cases where new shares or cash dividends are issued, utilization is limited to the portion of the reserve exceeding twenty-five percent of the paid-in capital.

(3)

A. When the Company distributes profits, the Company shall first allocate special reserves in accordance with legal regulations based on the debit balance of other equity items as of the year-end balance sheet date. Upon subsequent reversal of the debit balance of other equity items, the reversal amount may be included in distributable profits.

B. In the first adoption of IFRSs, the Company, in accordance with the Financial Supervisory Commission Letter No. 1010012865 dated April 6, 2012, appropriated special reserve. Subsequently, if there is any use, disposal or reclassification of related assets, the proportion of original special reserve appropriated can be reversed to distributable retained earnings.

(4) The earnings distribution resolutions and dividends per share approved during the shareholders' meetings in June 2024 and 2023 for the years ended December 31, 2023 and 2022 are as follows:

| | Earnings Distribution Proposal | | Dividends Per Share (NT$) | |
|---|---|---|---|---|
| Item(s) | 2023 | 2022 | 2023 | 2022 |
| Legal reserve | $ 14,932 | $ 14,952 | | |
| Cash dividends of ordinary share(s) | 114,400 | 57,200 | $ 0.20 | $ 0.10 |
| Total | $ 129,332 | $ 72,152 | | |

(5) On March 13, 2025, the Board of Directors proposed the following distribution of the earnings for the year ended December 31, 2024:

| Item(s) | Earnings Distribution Proposal | Dividends Per Share (NT$) |
|---|---|---|
| Legal reserve | $ 34,188 | |
| Cash dividends | 171,600 | $ 0.30 |
| Total | $ 205,788 | |

The distribution of earnings for the year ended December 31, 2024 is subject to the resolution in the annual shareholders' meeting held in June 2025.

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

29. Special reserve

| Item(s) | December 31, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| Preparation for plant construction | $ | - | $ | 500,000 |
| Land development | | 500,000 | | - |
| Initial application of International Financial Reporting Standards (IFRSs) provision. | | 310,918 | | 310,918 |
| Total | $ | 810,918 | $ | 810,918 |

(1) Preparation for plant construction is a special surplus reserve set aside by the Company in 1994, resolved by the shareholders' meeting to prepare for the construction of plants domestically or overseas. In June 2024, the shareholders' meeting resolved to activate the development of investment properties. The Company then changed the original "Special Reserve - Preparation for plant construction" to "Special Reserve - Land Development.”

(2) As a result of the initial adoption of International Financial Reporting Standards (IFRSs), the Company reclassified the previously recognized unrealized revaluation increment of NT$341,766 thousand, originally recognized under the generally accepted accounting principles in Taiwan, to retained earnings. Pursuant to the Financial Supervisory Commission's letter No. 1010012865, an equivalent amount of special surplus reserve should be provisioned. However, as the adjustment amount to retained earnings as of the transition date was only NT$319,012 thousand, the provisioned amount for special surplus reserve was NT$319,012 thousand.

(3) The special reserve provisioned due to the initial adoption of IFRSs, as described above, may be reversed to retained earnings at a proportionate rate upon subsequent disposal, use, or reclassification of related assets by the Company. As of December 31, 2024, NT$8,094 thousand was reversed from the initially provisioned special reserve to retained earnings due to the disposal of investment properties.

30. Total other equity interest

| | Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income | | | |
|---|---|---|---|---|
| Item(s) | 2024 | | 2023 | |
| Beginning balance | $ | 723,623 | $ | 523,949 |
| Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | | 227,478 | | 193,248 |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | | 6,610 | | 197 |
| Share of balance from associates and joint ventures accounted for using equity method | | | | |
| Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | | 30,468 | | 6,229 |
| Ending balance | $ | 988,179 | $ | 723,623 |

31. Treasury shares

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

2024:

Unit: Thousand shares

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

2023:

Unit: Thousand shares

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

(2) At the end of December 2011, the Company acquired control over Southeast Paper Manufacturing Co., Ltd. resulting in the reclassification of its carrying value of NT$24,509 thousand (representing 49.71% ownership) from an investment in the parent company (financial assets measured at fair value through other comprehensive income - non-current) to treasury stock. The amounts as of December 31, 2024 and 2023, were NT$12,185 thousand. The market prices of the shares held by Southeast Paper Manufacturing Co., Ltd. in the Company were NT$43,314 thousand and NT$39,722 thousand as of December 31, 2024 and 2023, respectively. Shares of the parent company held by subsidiaries are treated as treasury stock and retain dividend entitlements.

32. Non-controlling interests

| Item(s) | 2024 | 2023 |
|---|---|---|
| Beginning balance | $ 101,628 | $ 94,962 |
| Portion attributable to non-controlling interests: | | |
| Net profit for the current year | 28,738 | 6,531 |
| Other comprehensive income for the current year | 90 | 29 |
| Cash dividends of ordinary share(s) | (166) | - |
| Increase/decrease in non-controlling interests | 19,812 | 106 |
| Ending balance | $ 150,102 | $ 101,628 |

## 33. Operating revenue

| Item(s) | 2024 | 2023 |
|---|---|---|
| Revenue from customer contracts | | |
| Sales revenue | $ 2,257,007 | $ 2,121,144 |
| Revenue of buildings and land sold | 460,668 | - |
| Total operating revenue from customer contracts | $ 2,717,675 | $ 2,121,144 |
| Less: Sales discounts and allowances | (1,125) | (749) |
| Net operating revenue from customer contracts | $ 2,716,550 | $ 2,120,395 |
| Rental revenue | 156,408 | 153,123 |
| Operating revenue, net | $ 2,872,958 | $ 2,273,518 |

(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. Buildings and land sold

The Construction Department mainly sells to unspecified customers at fixed prices under contracts.

(2) Other operating revenue

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

(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:

| | 2024 | 2023 |
|---|---|---|
| Main Regional Markets | | |
| Taiwan | $ 2,716,550 | $ 2,120,395 |
| Main product line | | |
| Cement | $ 1,357,967 | $ 1,534,678 |
| Hearthstone powder | 205,620 | 219,771 |
| Current raw materials | - | 6,809 |
| Ready-mixed concrete | 692,295 | 359,137 |
| Land and houses | 460,668 | - |
| Total | $ 2,716,550 | $ 2,120,395 |
| Time of Revenue Recognition | | |
| Fulfillment of obligations at a specific point in time | $ 2,716,550 | $ 2,120,395 |
| Gradually fulfillment of obligations over time | - | - |
| Total | $ 2,716,550 | $ 2,120,395 |

(4) Contract balance

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

| Item(s) | December 31, 2024 | December 31, 2023 | January 1, 2023 |
|---|---|---|---|
| Receivables | $ 807,134 | $ 604,211 | $ 374,887 |
| Contract liabilities-Current | $ 27,252 | $ 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 | 2024 | 2023 |
|---|---|---|
| From the beginning of period contract liabilities | $ 43,349 | $ 18,549 |
| From the performance obligations that have been satisfactorily fulfilled in previous periods | $ - | $ - |

34. Employee benefits, depreciation, depletion and amortization expense

| | 2024 | | |
|---|---|---|---|
| Category | Recognized in operating costs | Recognized in operating expenses | Total |
| Employee benefits expenses | | | |
| Salary Expenses | $ 38,293 | $ 98,469 | $ 136,762 |
| Labor and Health Insurance Expense | 3,069 | 4,997 | 8,066 |
| Pension expense | 1,666 | 2,138 | 3,804 |
| Other employee benefits expense | 7,409 | 4,430 | 11,839 |
| Depreciation expense | 100,285 | 5,537 | 105,822 |
| Amortization expense | - | 43 | 43 |
| Total | $ 150,722 | $ 115,614 | $ 266,336 |

| Category | 2023 Recognized in operating costs | | Recognized in operating expenses | | Total | |
|---|---|---|---|---|---|---|
| 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 |

(1) According to the Company's articles of incorporation, if the Company has a profit 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, if the Company has accumulated losses, it shall reserve the amount to compensate losses in advance. For the years ended December 31, 2024 and 2023, the above pre-tax profits had been allocated at rates not less than 2% for employee remuneration and not more than 3% for director remuneration. Changes in accounting estimates subsequent to the adoption of the annual financial statements were accounted for as changes in accounting estimates, and adjustments will be recorded in the following year.

(2) The Company's Board of Directors respectively approved the employee and director remuneration for the years ended December 31, 2024 and 2023, as well as the associated amounts recognized in the financial statements during the board of directors meetings held on March 13, 2025 and March 14, 2024; the amounts are as follows:

| Item(s) | 2024 Employee remuneration | | Director remuneration | | 2023 Employee remuneration | | Director remuneration | |
|---|---|---|---|---|---|---|---|---|
| Resolved distribution amount | $ | 11,824 | $ | 11,824 | $ | 5,751 | $ | 5,751 |
| Amount recognized in the annual financial report | | 11,824 | | 11,824 | | 5,751 | | 5,751 |
| 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.

35. Interest income

| Item(s) | 2024 | 2023 |
|---|---|---|
| Interest income from bank deposits | $ 4,861 | $ 5,145 |
| Interest income on lease payments receivable | 112 | 13 |
| Others interest | 1,355 | 1,138 |
| Total | $ 6,328 | $ 6,296 |

36. Other income

| Item(s) | 2024 | 2023 |
|---|---|---|
| Dividend income | $ 125,557 | $ 55,983 |
| Income from sale of electricity | 3,248 | 2,419 |
| Income from the sale of emissions reduction credits | - | 6,990 |
| Income from the sale of scrap iron | - | 141 |
| Others | 10,249 | 9,052 |
| Total | $ 139,054 | $ 74,585 |

37. Other gains and losses

| Item(s) | 2024 | 2023 |
|---|---|---|
| Net (loss) gain on financial assets or liabilities measured at fair value through profit or loss | $ (1,871) | $ 13,998 |
| Gain (loss) on disposal of financial assets measured at fair value through profit or loss | 2,400 | 1,575 |
| Net foreign exchange gains (losses) | 2,608 | (543) |
| Gain (loss) on disposal of property, plant and equipment | 866 | 3,488 |
| Impairment losses on property, plant, and equipment | - | (50,002) |
| Gain (loss) on disposal of non-current assets held for sale | - | 167,435 |
| Other losses | (5,040) | (15,769) |
| Profit from lease modification | 1,877 | 946 |
| Loss from idle venue | (31,759) | - |
| Loss on dismantling of Kaohsiung plant | - | (55,580) |
| Total | $ (30,919) | $ 65,548 |

(1) Please refer to Note IX for loss on dismantling of Kaohsiung plant.

38. Finance costs

| Item(s) | 2024 | 2023 |
|---|---|---|
| Interest on bank loans | $ 31,939 | $ 33,074 |
| Interest on lease liabilities | 6,474 | 4,746 |
| Others interest | 508 | 143 |
| Subtotal | $ 38,921 | $ 37,963 |
| Less: Capitalized amount of assets that meet the criteria | (6,572) | (6,680) |
| Finance costs | $ 32,349 | $ 31,283 |

39. Income tax

(1) Income tax expense

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

| | 2024 | 2023 |
|---|---|---|
| Current tax | | |
| Current income tax generated | $ 34,475 | $ 39,121 |
| Additional tax on undistributed earnings | 844 | 423 |
| Overestimation of income tax in previous years | 170 | (14) |
| Land value increment tax | 94 | - |
| Current total income tax | $ 35,583 | $ 39,530 |
| Deferred income tax | | |
| Temporary differences that originated and reversed | $ 21,378 | $ (8,207) |
| Total deferred income tax | $ 21,378 | $ (8,207) |
| Tax expense (income) | $ 56,961 | $ 31,323 |

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

(2) A reconciliation of the current year's accounting income to the income tax expense recognized in profit or loss is as follows:

| Item(s) | 2024 | 2023 |
|---|---|---|
| Profit before tax | $ 434,184 | $ 187,376 |
| Profit before tax subject to the statutory tax rate | $ 86,837 | $ 37,475 |
| Tax impact of adjusted items: | | |
| Impact of items not accounted for tax purposes | | |
| Investment loss (gain) recognized using the equity method | (3,211) | (2,570) |
| Unrealized inventory devaluation losses (reversal gains) | - | 1,012 |
| Unrealized (realized) loss on dismantlement | (7,559) | 11,116 |
| Others adjustments | (41,592) | (7,912) |
| Additional tax on undistributed earnings | 844 | 423 |
| Net changes in deferred income tax | 21,378 | (8,207) |
| Overestimation of income tax in previous years | 170 | (14) |
| Land value increment tax | 94 | - |
| Income tax expense recognized in profit or loss | $ 56,961 | $ 31,323 |

The applicable tax rate for the Group under the Republic of China Income Tax Act is 20%, while the tax rate applicable to unappropriated retained earnings is 5%.

In July of 2019, President of Taiwan promulgated amendments to the Industrial Innovation Act, introducing a provision whereby unappropriated retained earnings from 2018 onwards, reinvested in specific assets or technologies up to a certain amount, are deductible when calculating unappropriated retained earnings. When calculating the tax on unappropriated retained earnings, the Group has already deducted the capital expenditure amount reinvested in accordance with the specified year's unappropriated retained earnings.

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

| | 2024 | | |
|---|---|---|---|
| | Beginning balance | Recognized in (loss) profit | Ending balance |
| Deferred tax assets | | | |
| Temporary differences | | | |
| To-be-recognized Cement expenses | $ 631 | $ (289) | $ 342 |
| Impairment losses on property, plant, and equipment | 6,914 | (6,914) | - |
| Unrealized loss on dismantlement | 11,116 | (7,559) | 3,557 |
| Inventory obsolescence and devaluation loss | 5,526 | (5,526) | - |
| Others | 2,058 | 31 | 2,089 |
| Unutilized loss carryforwards | 24,860 | (3,593) | 21,267 |
| Subtotal | $ 51,105 | $ (23,850) | $ 27,255 |
| Deferred tax liabilities | | | |
| Provision for land value increment tax | $ (260,570) | $ - | $ (260,570) |
| Temporary differences | | | |
| Depreciation tax differences | (8,618) | 2,472 | (6,146) |
| Subtotal | $ (269,188) | $ 2,472 | $ (266,716) |
| Total | $ (218,083) | $ (21,378) | $ (239,461) |

| | 2023 | | |
|---|---|---|---|
| | Beginning balance | Recognized in (loss) profit | Ending balance |
| Deferred tax assets | | | |
| Temporary differences | | | |
| To-be-recognized Cement expenses | $ 373 | $ 258 | $ 631 |
| Impairment loss on investment property | 42,121 | (42,121) | - |
| Impairment losses on property, plant, and equipment | 2,441 | 4,473 | 6,914 |
| Unrealized loss on dismantlement | - | 11,116 | 11,116 |
| Inventory obsolescence and devaluation loss | 4,514 | 1,012 | 5,526 |
| Others | 3,409 | (1,351) | 2,058 |
| Unutilized loss carryforwards | 22,300 | 2,560 | 24,860 |
| Subtotal | $ 75,158 | $ (24,053) | $ 51,105 |
| Deferred tax liabilities | | | |
| Provision for land value increment tax | $ (260,570) | $ - | $ (260,570) |
| Temporary differences | | | |
| Depreciation tax differences | (40,878) | 32,260 | (8,618) |
| Subtotal | $ (301,448) | $ 32,260 | $ (269,188) |
| Total | $ (226,290) | $ 8,207 | $ (218,083) |

(4) Items that are not recognized as deferred income tax assets:

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Deductible temporary differences | $ 19,017 | $ 21,800 |
| Loss carryforwards | 26,588 | 28,212 |
| Total | $ 45,605 | $ 50,012 |

(5) Profit-seeking enterprise income tax of the Company has been assessed by the tax authority up to 2022.

## 40. Other comprehensive income

| | 2024 | | |
|---|---|---|---|
| Item(s) | Profit before tax | Tax (expense) income | Net of tax |
| Components not reclassified to profit or loss: | | | |
| Share of associates and joint ventures accounted for using equity method | | | |
| Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | $ 30,558 | $ - | $ 30,558 |
| Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 227,478 | - | 227,478 |
| Recognized in Other comprehensive income | $ 258,036 | $ - | $ 258,036 |

| | 2023 | | |
|---|---|---|---|
| Item(s) | Profit before tax | Tax (expense) income | Net of tax |
| Components not reclassified to profit or loss: | | | |
| Share of associates and joint ventures accounted for using equity method | | | |
| Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | $ 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 | $ 199,506 | $ - | $ 199,506 |

41. Earnings per ordinary share

| Item(s) | 2024 | 2023 |
|---|---|---|
| A. Basic earnings per share: | | |
| Net profit (loss) for the period | $ 348,485 | $ 149,522 |
| Weighted average number of shares outstanding for the current period (in thousands) | 569,887 | 569,887 |
| Basic earnings per share (after tax) (NT$) | $ 0.61 | $ 0.26 |
| B. Diluted earnings per share: | | |
| Net profit (loss) for the period | $ 348,485 | $ 149,522 |
| Effects of potential ordinary shares with dilutive effect | - | - |
| Profit for the year for calculating Diluted earnings per share | $ 348,485 | $ 149,522 |
| Weighted average number of shares outstanding for the current period (in thousands) | $ 569,887 | $ 569,887 |
| Impact of Employee Remuneration (Note) | 641 | 359 |
| Weighted average outstanding shares (thousands) for calculation of diluted earnings per share | $ 570,528 | $ 570,246 |
| Diluted Earnings Per Share (After Tax) (NT$) | $ 0.61 | $ 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.

## (VII) Transactions with Related Parties

1. Parent Company and Ultimate Controlling Party:

The Company is the ultimate controller of the Group.

2. Name of the related party and the relationship

| Name of related party | Relationship with the merged company |
|---|---|
| Southeast Construction Co., Ltd. | Associates |
| Nan Hsia Timber Co., Ltd. | Associates |
| Taiwan Machinery Shipyard Co., Ltd. | Associates |
| Penghu Cable Television Co., Ltd. | Associates |
| Penghu Bay Co., Ltd. | Associates |
| CHC Resources Corporation | Others related parties |
| Baifu Investments Co., Ltd. | Others related parties |
| Zhengtai Cement Factory Co., Ltd. | Others related parties |
| Zhengtai Resource Development Co., Ltd. | Others related parties |
| Dong Shu Investments Co., Ltd. | Others related parties |
| Taiwan Concrete Industry Co., Ltd. | Others related parties |
| Taiwan Mixed Resource Development Co., Ltd. | Others related parties |
| Chen Zhao Shu Foundation | Others related parties |
| 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 |
| Kao Chun Enterprise 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 |

3. Significant transactions with related parties

(1) Operating revenue:

| Item(s) | Category of related party/ Name | 2024 | 2023 |
|---|---|---|---|
| Sales revenue | Others related parties | | |
| | Tiancheng Concrete Industry Co., Ltd. | $ 225,525 | $ 159,772 |
| | Others | 28,243 | 48,605 |
| | Total | $ 253,768 | $ 208,377 |
| Rental revenue | Associates | $ 169 | $ 141 |
| | Others related parties | 46 | 46 |
| | Total | $ 215 | $ 187 |

A. Sales revenue:

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

B. Rental revenue:

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

(2) Purchases:

| Category of related party | 2024 | 2023 |
|---|---|---|
| Others related parties | | |
| Others | $ 3,932 | $ 1,545 |

The Group purchases goods from the aforementioned company at prices roughly equivalent to those of general suppliers, with an average payment period of about 1-3 months.

(3) Contract assets: None.

(4) Contract liabilities: None.

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

| Item(s) | Category of related party/ Name | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Accounts receivable | Others related parties | | |
| | Tiancheng Concrete Industry Co., Ltd. | $ 42,007 | $ 33,186 |
| | Others | 8,394 | 8,910 |
| Subtotal | | $ 50,401 | $ 42,096 |
| Less: Loss allowance | | (40) | (33) |
| Net | | $ 50,361 | $ 42,063 |
| Refundable Deposits | Others related parties | $ 1,346 | $ 7,346 |

The expected credit losses(reversal) recognized on the aforementioned receivables due from related parties for the years ended December 31, 2024 and 2023 were NT$7 thousand and NT$(383) thousand, respectively.

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

| Item(s) | Category of related party | December 31, 2024 | December 31, 2023 |
|---|---|---|---|
| Accounts payable | Others related parties | $ - | $ 611 |
| Other payables | Others related parties | $ 665 | $ - |
| Deposits received | Associates | $ 60 | $ 60 |

(7) Prepayments:

| Category of related party/ Name | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Associates | | |
| Others | $ 2 | $ 2 |

(8) Property transactions:

A. Acquisition of property, plants and equipment:

| | Price of acquisition | |
|---|---|---|
| Category of related party | 2024 | 2023 |
| Others related parties | $ 4,338 | $ - |

The transaction price of the above transaction was determined by mutual bargaining. As of December 31, 2024, the transaction price of $145 thousand (including tax) had not been paid.

(9) Lease agreements:

A. Right-of-use assets acquired through lease

| Account item/Category of related party/Name | Leased object | From January to December 2024 | From January to December 2023 |
|---|---|---|---|
| Acquisition of use-of-right assets | | | |
| Others related parties | | | |
| Taiwan Mixed Resource Development Co., Ltd. | Shan De Section and other buildings | $ 207 | $ 32,450 |
| Others | Transportation equipment | - | 3,340 |
| | Total | $ 207 | $ 35,790 |

| Account item/Category of related party/Name | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Lease liabilities | | |
| Others related parties | | |
| Taiwan Mixed Resource Development Co., Ltd. | $ 142,764 | $ 148,350 |
| Others | 18,319 | 22,690 |
| Total | $ 161,083 | $ 171,040 |

| Account item/Category of related party/Name | 2024 | 2023 |
|---|---|---|
| Interest expense | | |
| Others related parties | $ 3,209 | $ 3,546 |

B. Lease expenses:

| Category of related party/ Name | 2024 | 2023 |
|---|---|---|
| Associates | $ 12 | $ 12 |

The above lease terms are determined by the contract and the rent is paid on an annual basis.

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

(11) Loans to related parties: None.

(12) Loans from related parties: None.

(13) Endorsement guarantee: None.

(14) Others

A. Various Revenues

| Category of related party/ Name | 2024 | 2023 |
|---|---|---|
| Associates | $ 106 | $ 127 |
| Others related parties | 885 | 590 |
| Total | $ 991 | $ 717 |

B. Expenses

| Category of related party/ Name | 2024 | 2023 |
|---|---|---|
| Others related parties | $ 1,135 | $ 1,905 |

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

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

D. Establishment of significant contracts:

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

4. Key Management Compensation Information

| Item(s) | 2024 | 2023 |
|---|---|---|
| Salaries and other short-term employee benefits | $ 16,566 | $ 17,069 |
| Post-employment benefits | 167 | 186 |
| Other long-term employee benefits | - | - |
| Termination benefits | - | - |
| Share-based payments | - | - |
| Total | $ 16,733 | $ 17,255 |

## (VIII) Pledged Assets

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

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Investment property | $ 1,502,321 | $ 3,234,628 |

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

## (IX) Significant Contingent Liabilities and Unrecognized Contract Commitments

1. As of December 31, 2024 and 2023, details of the Group's issued and undrawn letters of credit: None.

2. As of December 31, 2024 and 2023, the Group's amounts of refundable deposits of notes for loans and performance guarantees, as well as deposits received of notes for performance guarantees, are as follows:

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Refundable Deposits of Notes (Guarantee Notes Payable) | $ 2,117,918 | $ 1,788,666 |
| Deposits Received of Notes (Guarantee Notes Receivable) | 135,564 | 229,145 |

3. Significant capital expenditures contracted for but not yet incurred:

| Item(s) | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Property, plants and equipment | $ 135,667 | $ 464,284 |
| Right-of-use assets | 2,383 | 3,573 |
| Total | $ 138,050 | $ 467,857 |

4. In October 2023, the Group signed a factory demolition contract with Li Jin Enterprise Co., Ltd., with a total contract price of NT$55,580 thousand (excluding tax). Payments will be made according to the progress of the factory demolition. As of December 31, 2024, NT$37,794 thousand was paid.

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

   (1) Taiwan Machinery Shipyard Co., Ltd, is located on land with an area of 4819.86 square meters, about 1458 pings, at No. 969, East An Section, Dongshan District, Tainan City, and is willing to offer it to the Group to build 41 townhouses. The parties have agreed to sell the houses and land separately, and collect the payment separately. The payment for the houses accounts for 75% and the Land payment accounts for 25%. The distribution of the house and land payments was decided with reference to the appraisal report issued by the professional institution.

   (2) Taiwan Machinery Shipyard Co., Ltd., located at No. 123, Dalian Section, Pingtung City, offers its land with an area of 4,875 square meters, approximately 1,474.69 pings, for the Group to build a 5-story building with 140 units. Both parties have agreed to sell their respective properties, each collecting their respective payments, of which 65% is for the house payment and 35% is for the land payment. The ratio of the house to land payment is determined based on the appraisal report issued by a professional institution.

## (X) Significant Disaster Loss: None.

## (XI) Significant Subsequent Events: None.

## (XII) Others

1. Capital Risk Management

   The Group is required to maintain sufficient capital to finance the expansion and upgrading of plant and equipment. Therefore, the Group manages its capital to ensure that it has the necessary financial resources and operating plans to support its working capital and capital expenditure for the next 12 months.

2. Financial Instruments

   (1) Financial risks of financial instruments

   <u>Financial risk management policy</u>

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

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

The nature and extent of significant financial risks

A. Market risk

(A) Exchange Rate Risk

a. The Group is exposed to exchange rate risk arising from sales, purchases and borrowing transactions that are not denominated in the Group's functional currency. The Group's functional currency is New Taiwan dollar. The main currencies in which these transactions are denominated are U.S. Dollars and Renminbi. In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flows due to changes in foreign exchange rates, the Group utilizes foreign currency deposits to hedge its exposure to exchange rate risk. The use of such foreign currency deposits enables the Group to minimize, but not completely eliminate, the impact of foreign currency exchange rate fluctuations.

b. Exchange rate exposure and sensitivity analysis

| | December 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | | | Sensitivity Analysis | | |
| | Foreign currency | Exchange rate | Amounts reported (NT$) | Fluctuation range | Impact on profit and loss | Equity Impact |
| (Foreign currency: functional currency) | | | | | | |
| Financial assets | | | | | | |
| Monetary items | | | | | | |
| US$:NT$ | 731 | 32.785 | 23,957 | Appreciated by 1% | 240 | - |

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

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, 2024 and 2023.

c. The total amounts of all foreign exchange gains (losses) (including realized and unrealized) recognized for the years ended December 31, 2024 and 2023 due to significant influence of exchange rate fluctuations on the Group's monetary items were NT$2,608 thousand and NT$(543) thousand, respectively.

(B) Price Risk

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

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

If the price of equity increases or decreases by 1%, the after-tax profit or loss for the years ended December 31, 2024 and 2023 would respectively increase or decrease by NT$2,113 thousand and NT$2,414 thousand due to the rise or fall in the fair value of financial assets measured at fair value through profit or loss. After-tax other comprehensive income for the periods for the years ended December 31, 2024 and 2023 will respectively increase or decrease by NT$15,841 thousand and NT$14,218 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:

| | Book Value | | | |
|---|---|---|---|---|
| Item(s) | | December 31, 2024 | | December 31, 2023 |
| With fair value interest rate risk: | | | | |
| Financial assets | $ | 335,906 | $ | 193,282 |
| Financial liabilities | | (1,675,964) | | (1,735,965) |
| Net | $ | (1,340,058) | $ | (1,542,683) |
| With cash flow interest rate risk: | | | | |
| Financial assets | $ | 339,668 | $ | 202,346 |
| Financial liabilities | | (598,144) | | (265,900) |
| Net | $ | (258,476) | $ | (63,554) |

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 the years ended December 31, 2024 and 2023 would respectively increase (decrease) by NT$(2,585) thousand and NT$(636) thousand, respectively.

B. Credit Risk

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

Operating-related credit risk

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

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

Financial credit risk

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

(A) Concentrated risk of Margin trading

As of December 31, 2024 and 2023, the accounts receivable balances from the top ten customers accounted for 65.32% and 52.90% of the total accounts receivable balances of the Group, respectively, posing a concentrated credit risk. The concentration of credit risk from the remaining accounts receivable is comparatively not significant.

(B) Measurement of Expected credit losses

a. Accounts receivable: Simplified procedure is adopted, please refer to Note VI (IV) for explanation.

b. Basis for judging whether credit risk has significantly increased: None. (The Group has neither investments measured at amortized cost nor investments in debt instruments designated at fair value through other comprehensive income.)

(C) Increase in collateral held and other credit enhancements adopted to mitigate the credit risk of financial assets:

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

| | | Decrease in maximum exposure to credit risk | | | |
|---|---|---|---|---|---|
| December 31, 2024 | Book Value | Collateral | Net Settlement Agreement Total | Other Credit Enhancements | Total |
| Financial instruments that are subject to the impairment rules of IFRS 9 and have been credit-impaired | $ - | $ - | $ - | $ - | $ - |
| Financial instruments that are not subject to the impairment rules of IFRS 9: | | | | | |
| Financial assets at fair value through profit or loss | 211,286 | - | - | - | - |
| Financial assets at fair value through other comprehensive income | 1,584,090 | - | - | - | - |
| Total | $ 1,795,376 | $ - | $ - | $ - | $ - |

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

C. Liquidity risk

(A) Management of liquidity risk

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

(B) Maturity Analysis of Financial Liabilities

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

| | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| 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 | $ 1,200,000 | $ 66,774 | $ - | $ - | $ - | $ 1,266,774 | $ 1,266,774 |
| Short-term notes and bills payable | 72,000 | - | - | - | - | 72,000 | 71,951 |
| Notes payable | 13,138 | - | - | - | - | 13,138 | 13,138 |
| Accounts payable | 360,864 | - | - | - | - | 360,864 | 360,864 |
| Lease liabilities | 21,247 | 21,199 | 41,860 | 107,896 | 377,743 | 569,945 | 524,013 |
| Other payables | 121,630 | 38,857 | - | - | - | 160,487 | 160,487 |
| Long-term loans | - | 50 | 44,168 | 176,473 | 190,679 | 411,370 | 411,370 |
| Deposits received | 12,791 | 50 | 80 | 1,372 | 1,025 | 15,318 | 15,318 |
| Total | $ 1,801,670 | $ 126,930 | $ 86,108 | $ 285,741 | $ 569,447 | $ 2,869,896 | $ 2,823,915 |

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 | $ 42,446 | $ 149,756 | $ 165,025 | $ 212,718 | $ 569,945 |

| Non-derivative financial liabilities | December 31, 2023 Within 6 months | 7-12 months | 1-2 years | 2-5 years | More than 5 years | Contract Cash Flow | Book Value |
|---|---|---|---|---|---|---|---|
| Short-term loans | $ 898,000 | $ - | $ - | $ - | $ - | $ 898,000 | $ 898,000 |
| Short-term notes and bills payable | 295,000 | - | - | - | - | 295,000 | 294,795 |
| Notes payable | 17,722 | - | - | - | - | 17,722 | 17,722 |
| Accounts payable | 262,293 | - | - | - | - | 262,293 | 262,293 |
| Lease liabilities | 23,137 | 21,436 | 36,354 | 104,018 | 411,063 | 596,008 | 543,170 |
| Other payables | 130,143 | 11,502 | - | - | - | 141,645 | 141,645 |
| Long-term loans | - | - | 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 |

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

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Financial assets | | |
| Financial assets at amortized cost | | |
| Cash and cash equivalents | $ 548,447 | $ 287,887 |
| Notes and accounts receivable (including related parties) | 807,134 | 604,211 |
| Other receivables | 2,282 | 989 |
| Other financial assets - Current | 110,000 | 93,629 |
| Refundable Deposits | 30,591 | 36,131 |
| Financial assets at fair value through profit or loss - Current | 211,286 | 241,358 |
| Financial assets at fair value through other comprehensive income - non-current | 1,584,090 | 1,421,796 |
| Financial liabilities | | |
| Financial liabilities at amortized cost | | |
| Short-term loans | 1,266,774 | 898,000 |
| Short-term notes and bills payable | 71,951 | 294,795 |
| Notes payable and Accounts payable (including related parties) | 374,002 | 281,015 |
| Other payables | 160,487 | 141,645 |
| Lease liabilities (including in one year or one business cycle) | 524,013 | 543,170 |
| Long-term loans (including in one year or one business cycle) | 411,370 | 265,900 |
| Deposits received | 15,318 | 16,331 |

3. 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 fair value information of the investment property measured at cost by the Group.

(2) Definition of the three levels of fair value

Level 1:

The input value of this level refers to the active market quotes for identical instruments in active markets. An active market refers to a market that meets all the following conditions: the goods traded in the market are homogeneous; willing buyers and sellers can be found in the market at any time, and price information is accessible to the public. The beneficial certificates invested by the 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 and accounts receivable, other financial assets, refundable deposits, short-term loans, short-term notes and 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, 2024 Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Assets: | | | | |
| Recurring fair value | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Listed shares | $ 154,168 | $ - | $ - | $ 154,168 |
| Open-ended funds and ETFs | 33,250 | - | - | 33,250 |
| Bonds | 23,868 | - | - | 23,868 |
| Financial assets at fair value through other comprehensive income | | | | |
| Domestic listed companies' stocks | 1,236,506 | - | - | 1,236,506 |
| Domestic unlisted company stocks | - | - | 347,584 | 347,584 |
| Total | $ 1,447,792 | $ - | $ 347,584 | $ 1,795,376 |

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

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

A. If there is an active market quotation for financial instruments, the fair value is the public quotation from the active market. The market prices announced by the Taipei Exchange and deemed as popular securities on the Government Bond Over-the-Counter Market are used as the basis for the fair value of listed (OTC) equity instruments and debt instruments with active market quotations.

If public quotes for financial instruments can be obtained promptly and frequently from exchanges, brokers, underwriters, trade unions, pricing service organizations, or competent authorities, and if the price represents actual and frequent fair market traders, then the financial instruments have active market public quotes. If the above conditions are not met, the market is considered inactive. Generally, a large bid-ask spread, a significant increase in the bid-ask spread, or a very small trade volume, are all indicators of an inactive market.

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

(A) Listed company stocks: closing price.

(B) Open-end Fund: Net Value.

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

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

December 31, 2024:

| Item(s) | Evaluation Technology | Significant unobservable inputs | interval | Input value and fair value relationship |
|---|---|---|---|---|
| Financial assets at fair value through other comprehensive income - Stocks | Asset Method | 1. Lack of Control Discount Rate | 10.71%~18.70% | The higher the discount for control, the lower the fair value estimate. |
| | | 2. Lack of Marketability Discount Rate | 10.00%~29.28% | 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 | 10.00%~30.98% | The higher the liquidity discount, the lower the estimated fair value. |

December 31, 2023:

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

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

(7) Level 3 Change Detail Table:

| Item(s) | Financial assets at fair value through other comprehensive income - Unlisted stocks | Item(s) | Financial assets at fair value through other comprehensive income - Unlisted stocks |
|---|---|---|---|
| January 1, 2024 | $ 370,766 | January 1, 2023 | $ 364,932 |
| Acquisition for the period | 8,820 | Acquisition for the period | 1,134 |
| Reduction of capital and refund of share capital for the period | (38,392) | Reduction of capital and refund of share capital for the period | - |
| Disposal for the period | - | Disposal for the period | (4,314) |
| Recognized in Other comprehensive income | 6,390 | Recognized in Other comprehensive income | 9,014 |
| December 31, 2024 | $ 347,584 | December 31, 2023 | $ 370,766 |

(8) Valuation process for fair value categorized in Level 3:

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

(9) Sensitivity analysis of fair value of financial assets and financial liabilities measured at fair value and fair value to reasonably possible alternative assumptions for Level 3: None.

4. Transfer of Financial Assets: None.

5. Offsetting of financial assets and financial liabilities: None.

## (XIII) Supplementary Disclosure

1. Information on significant transactions:

(1) Funds lent to others: Table 1.

(2) Endorsement and guarantee for others: Table 2.

(3) Marketable securities held by end of period: Table 3.

(4) Accumulated purchases or sales of the same marketable securities of prices of at least NT$300 million or 20% of the paid-In capital: none.

(5) Acquisition of real estate properties at prices of at least NT$300 million or 20% of the paid-In capital: None.

(6) Disposal of real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.

(7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Table 4.

(8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.

(9) Information about the derivative financial instruments' transaction: None.

(10) Business relationships and significant transactions between parent and subsidiaries: Table 6.

2. Information on reinvestment business: Table 7.

3. Information on investments in Mainland China: Not applicable.

4. Information on major shareholders: Table 8.

Table 1

# Southeast Cement Co., Ltd. and Subsidiaries
## Details of Funds Lent to Others
## December 31, 2024

Unit: NT$1,000

| Number | Name of the Company lending funds to others | Counterparty | Financial Statement Account | Related party | Maximum balance for this period | Ending balance | Amount Actually Drawn | Interest Rate Range | Nature of funds lending | Business transaction amounts | Reasons for short-term financing | Allowance for bad debts amount | Collateral | | Financing limit for individual entities | Maximum financing limit |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Name | Value | | |
| 0 | Southeast Cement Co., Ltd. | Dong Nai Construction Co., Ltd. | Other receivables due from related parties | Yes | 200,000 | - | - | - | 2 | - | Operating turnover | - | - | - | 470,793 (Note 1) | 941,585 (Note 2) |

Note 1: Financing limit for individual entities:

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

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

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

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

Note 2: Maximum financing limit:

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

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

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

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

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

(1) Fill 1 for those who have business dealings.

(2) Those who need short-term financing 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, 2024

Unit: NT$1,000

| Number | Endorser/Guarantor | Endorsee/Guarantee | | Limits on Endorsement/ Guarantee Given on Behalf of Each Party | Maximum Amount Endorsed/ Guaranteed During the Period | Outstanding Endorsement/ Guarantee at the End of the Period | Amount Actually Drawn | Amount Endorsed/ Guaranteed by Collaterals | Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements | Maximum Endorsement/ Guarantee Limit | Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries | Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent | Endorsement/ Guarantee Given on Behalf of Companies in Mainland China |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Company Name | Relationship (Note 1) | | | | | | | | | | |
| 0 | Southeast Cement Co., Ltd. | Southeast Topgood Resources Recycling Co., Ltd. | 2 | 1,883,170 (Note 2) | 335,580 | 335,580 | - | - | 3.56% | 3,766,340 (Note 3) | Y | - | - |
| 0 | Southeast Cement Co., Ltd. | Southeast Milo International Co., Ltd. | 2 | 1,883,170 (Note 2) | 306,000 | 306,000 | - | - | 3.25% | 3,766,340 (Note 3) | Y | - | - |
| 1 | Southeast Investment Co., Ltd | Southeast Cement Co., Ltd. | 3 | 216,543 (Note 4) | 704 | 704 | - | - | 0.10% | 288,725 (Note 5) | - | Y | - |

Note 1: The relationship between the endorser/guarantor and the endorsee/guarantee can be categorized into the following seven types; simply indicate the type:

(1) Companies related to the business.

(2) A company that directly and indirectly holds more than fifty percent of the voting shares.

(3) Directly and indirectly holds over fifty percent of the voting shares in the Company.

(4) Between companies that directly and indirectly hold more than ninety percent of voting shares.

(5) Companies that mutually guarantee each other based on contract regulations among peers or co-builders for the needs of contracted projects.

(6) Due to the joint investment relationship, the Company is endorsed and guaranteed by all shareholders according to their shareholding ratio.

(7) Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-sale house pursuant to the Consumer Protection Act for each other.

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

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

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

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

Table 3

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

Unit: Thousand shares; NT$1,000

| Company held | Types and Names of Securities | Relationship with the issuer of securities | Account Item | End of period | | | | Remarks |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of shares | Book Value | Percentage of shareholding | Fair value | |
| Southeast Cement Co., Ltd. | Shares - Goldsun Building Materials | None | Financial assets at fair value through other comprehensive income | 3,247 | 160,740 | 0.28 | 160,740 | |
| | Shares - CHC Resources | The Company is the corporate director of that company. | Financial assets at fair value through other comprehensive income | 13,084 | 877,923 | 5.26 | 877,923 | |
| | Shares - Chunghwa Telecom | None | Financial assets at fair value through other comprehensive income | 360 | 44,460 | - | 44,460 | |
| | Shares - Yuanta | None | Financial assets at fair value through other comprehensive income | 583 | 19,832 | - | 19,832 | |
| | Shares - TXC | None | Financial assets at fair value through other comprehensive income | 80 | 8,040 | 0.02 | 8,040 | |
| | Shares - Zero One Tech | None | Financial assets at fair value through other comprehensive income | 140 | 19,390 | 0.08 | 19,390 | |
| | Shares - Taiwan Hon Chuan Enterprise | None | Financial assets at fair value through other comprehensive income | 206 | 30,448 | 0.07 | 30,448 | |
| | Shares - Fubon Financial Holding | None | Financial assets at fair value through other comprehensive income | 535 | 48,308 | - | 48,308 | |
| | Shares - China Steel Chemical | None | Financial assets at fair value through other comprehensive income | 100 | 9,210 | 0.04 | 9,210 | |
| | Shares - Systex | None | Financial assets at fair value through other comprehensive income | 90 | 13,005 | 0.03 | 13,005 | |
| | Shares - Great Wall Enterprise | None | Financial assets at fair value through other comprehensive income | 100 | 5,150 | 0.01 | 5,150 | |
| | Shares - Kaohsiung MRT | None | Financial assets at fair value through other comprehensive income | 11,117 | 98,520 | 3.99 | 98,520 | |

| Company held | Types and Names of Securities | Relationship with the issuer of securities | Account Item | End of period | | | | Remarks |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of shares | Book Value | Percentage of shareholding | Fair value | |
| | Shares - EnviroLink Corporation | The Company is the corporate director of that company. | Financial assets at fair value through other comprehensive income | 2,333 | 31,758 | 16.67 | 31,758 | |
| | Shares - iPASS | The Company is the corporate director of that company. | Financial assets at fair value through other comprehensive income | 4,416 | 22,573 | 3.36 | 22,573 | |
| | | Total | | | 1,389,357 | | 1,389,357 | |
| | Bonds - Boeing Company | None | Financial assets at fair value through profit or loss | 500 | 11,291 | - | 11,291 | |
| | Bonds - Pfizer | None | Financial assets at fair value through profit or loss | 200 | 6,245 | - | 6,245 | |
| | Bonds - Goldman Sachs | None | Financial assets at fair value through profit or loss | 194 | 6,332 | - | 6,332 | |
| | ETF - Cathay U.S. PHLX Semiconductor Sector | None | Financial assets at fair value through profit or loss | 211 | 9,786 | - | 9,786 | |
| | ETF - UPAMC NYSE FANG+ | None | Financial assets at fair value through profit or loss | 125 | 13,062 | - | 13,062 | |
| | | Total | | | 46,716 | | 46,716 | |
| Southeast Investment Co., Ltd | Shares - Zhengtai Cement Factory | The chairman of that Company is also the chairman of the Company. | Financial assets at fair value through other comprehensive income | 2,383 | 146,053 | 13.86 | 146,053 | |
| | 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 | 45,545 | 4.21 | 45,545 | |
| | Shares-Taiwan Implant Technology | None | Financial assets at fair value through other comprehensive income | 815 | 3,135 | 4.14 | 3,135 | |

| Company held | Types and Names of Securities | Relationship with the issuer of securities | Account Item | End of period | | | | Remarks |
|---|---|---|---|---|---|---|---|---|
| | | | | Number of shares | Book Value | Percentage of shareholding | Fair value | |
| | Shares - Dushan Forest Development | None | Financial assets at fair value through other comprehensive income | 1 | - | 8.00 | - | |
| | | Total | | | 194,733 | | 194,733 | |
| | Funds-Cathay No. 2 | None | Financial assets at fair value through profit or loss | 500 | 7,750 | - | 7,750 | |
| | Shares - Fubon Financial Holding | None | Financial assets at fair value through profit or loss | 153 | 13,797 | - | 13,797 | |
| | Shares - Formosa Chemicals and Fibre | None | Financial assets at fair value through profit or loss | 17 | 473 | - | 473 | |
| | Shares - Taiwan Secom | None | Financial assets at fair value through profit or loss | 292 | 36,102 | 0.06 | 36,102 | |
| | Shares -Taiwan Cement | None | Financial assets at fair value through profit or loss | 2,726 | 86,418 | 0.04 | 86,418 | |
| | Shares - CHC Resources | None | Financial assets at fair value through profit or loss | 30 | 2,033 | 0.01 | 2,033 | |
| | Shares - Mega Financial Holding | None | Financial assets at fair value through profit or loss | 217 | 8,409 | - | 8,409 | |
| | Shares - Yuanta Financial Holding | None | Financial assets at fair value through profit or loss | 204 | 6,936 | - | 6,936 | |
| | | Total | | | 161,918 | | 161,918 | |
| Southeast Paper Manufacturing Co., Ltd. | Shares - Southeast Cement | The parent company of this corporation | Financial assets at fair value through other comprehensive income | 2,113 | 43,314 | 0.37 | 43,314 | Note |
| Southeast Milo International Co., Ltd. | Funds - Fubon Chi-Hsiang Money | None | Financial assets at fair value through profit or loss | 162 | 2,652 | - | 2,652 | |

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

Table 4

Southeast Cement Co., Ltd. and Subsidiaries

Statements of Total Purchases from or Sales to Related Parties of at Least NT$100 Million or 20% of the Paid-In Capital

From January 1 to December 31, 2024

Unit: NT$1,000

| Company | Counterparty | Relation | Transaction Situation | | | | Unusual Transaction Terms and Reasons | | Notes and Accounts Receivable (Payable) | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Purchases (Sales) | Amount | Percentage of Purchases (Sales) | Credit Period | Unit price | Credit Period | Balance | Percentage of Notes and Accounts Receivable (Payable) | |
| Southeast Cement Co., Ltd. | Tiancheng Concrete Industry Co., Ltd. | Others related parties | Sales | 225,525 | 11.92% | About 2 - 3 months | - | Equivalent | 42,007 | 7.17% | |
| | Southeast Topgood Resources Recycling Co., Ltd. | Subsidiary | Sales | 178,315 | 9.43% | About 1 - 3 months | - | Equivalent | 38,190 | 6.52% | |
| | Southeast Milo International Co., Ltd. | Subsidiary | Sales | 115,214 | 6.09% | About 1 month | - | Equivalent | 233,231 | 39.83% | |

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

Table 5

Southeast Cement Co., Ltd. and Subsidiaries
Receivables from Related Parties Amounting to At Least NT$100 Million or 20% of The Paid-In Capital
December 31, 2024

Unit: NT$1,000

| The Companies recorded under receivables. | Name of the counterparty | Relation | Balance of receivables due from related parties | Turnover rate | Overdue receivables from related parties | | Amounts Received in Subsequent Period (Note 1) | Allowance for Bad Debt Amount |
|---|---|---|---|---|---|---|---|---|
| | | | | | Amount | Processing Method | | |
| Southeast Cement Co., Ltd. | Southeast Milo International Co., Ltd. | Subsidiary | 233,231 | (Note 2) | - | - | 8,468 | - |

Note 1: The amount recovered up until March 13, 2025.

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

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

Table 6

Southeast Cement Co., Ltd. and Subsidiaries

Business Relationships and Significant Transactions Between Parent and Subsidiaries

December 31, 2024

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

Unit: NT$1,000

| No. (Note 1) | Counterparty | Nature of Relationship | Intercompany Transactions (Note 2) | Financial Statements Item | | | |
|---|---|---|---|---|---|---|---|
| | | | | Account | Amount | Transaction terms | Percentage to total consolidated revenue or total assets (Note 3) |
| 0 | Southeast Cement Co., Ltd. | Southeast Topgood Resources Recycling Co., Ltd. | 1 | Sales revenue | 178,315 | Roughly equivalent to general customers, the average collection period is about 1-3 months. | 6.21% |
| | | | | Accounts receivable | 38,190 | | 0.30% |
| | | Southeast Milo International Co., Ltd. | 1 | Sales revenue | 115,214 | Note 5 | 4.01% |
| | | | | Accounts receivable | 233,231 | | 1.83% |
| 1 | Southeast Topgood Resources Recycling Co., Ltd. | Southeast Cement Co., Ltd. | 2 | Right-of-use assets | 104,975 | Note 6 | 0.83% |
| 2 | Southeast Milo International Co., Ltd. | Southeast Cement Co., Ltd. | 2 | Investment property, right-of-use assets | 870,963 | Note 5 | 6.85% |
| | | | | Refundable Deposits | 24,000 | | 0.19% |

Note 1: The information on business transactions between the parent company and its subsidiaries is indicated separately in the designated column, with the numbering method as follows:

(1) The parent company fills in 0.

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

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

(1) Parent company to subsidiaries.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

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

(1) The lease period is 30 years, with monthly rent payment (the total monthly rent is NT$8,065 thousand, increasing 3% every 3 years).

(2) Upon the expiration of the 30-year lease, if it continues to be used for existing mall operations, the lessee is given the pre-emptive right to lease for another 10 years.

(3) Upon the expiration or early termination of the lease, the lessee must dismantle the above-ground objects or transfer them free of charge as instructed by the lessor. Owned by the lessor, the lessee shall not claim any demolition expenses and any expenses or assert any rights from the lessor.

Note 6: The subsidiary leases land from the parent company for the construction of factories. The contract restrictions and other important agreements are as follows:

(1) The lease period is 20 years, with monthly rent payment (the total monthly rent is NT$5,850 thousand, increasing 3% every 3 years).

(2) The lessee has the priority right to lease upon expiration of the lease term.

Table 7

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

Unit: Thousand shares; NT$1,000

| Name of investment company | Name of Investee Company | Location | Main business items | Original investment amount | | Held at the end of the period | | | Net Income (Losses) of the Investee company | Investment income (loss) recognized | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | End of the period | the end of last year | Number of shares | ratio | Book Value | | | |
| Southeast Cement Co., Ltd. | Southeast Investment Co., Ltd | Kaohsiung City | Securities investment | 297,870 | 297,870 | 499 | 99.29 | 701,200 | 74,126 | 73,598 | (Note) |
| | Southeast Construction Co., Ltd. | Kaohsiung City | Architecture industry | 11,361 | 11,361 | 36 | 31.01 | 77,227 | 11,298 | 3,504 | |
| | Southeast Paper Manufacturing Co., Ltd. | Kaohsiung City | Cement Paper Bag | 4,971 | 4,971 | 5 | 49.71 | 23,095 | 19 | 9 | (Note) |
| | Nan Hsia Timber Co., Ltd. | Kaohsiung City | Wooden products | 8,540 | 8,540 | 1 | 27.55 | 15,119 | 11,137 | 3,068 | |
| | Dong Nai Construction Co., Ltd. | Kaohsiung City | Architecture industry | 790,000 | 790,000 | 79,000 | 100.00 | 873,324 | 90,740 | 90,740 | (Note) |
| | Taiwan Machinery Shipyard Co. ,Ltd | Kaohsiung City | Engineering industry | 328,492 | 328,492 | 25,611 | 31.01 | 352,503 | (4,527) | (1,404) | |
| | Southeast Topgood Resources Recycling Co., Ltd. | Kaohsiung City | Waste Clearance and Disposal | 85,000 | 85,000 | 8,500 | 50.00 | 115,977 | 71,697 | 36,733 | (Note) |
| | Southeast Milo International Co., Ltd. | Kaohsiung City | Real Estate Leasing Industry | 70,000 | 50,000 | 7,000 | 50.00 | 43,918 | (14,144) | 13,071 | (Note) |
| | Da Yang Construction Co., Ltd. | Kaohsiung City | Construction industry | 120,300 | 120,300 | 11,000 | 100.00 | 103,758 | (5,934) | (1,494) | (Note) |
| | Subtotal | | | | | | | 2,306,121 | 234,412 | 217,825 | |
| | Less: Reclassification of parent company shares held by subsidiaries to treasury shares | | | | | | | (12,185) | | | |
| | Total | | | | | | | 2,293,936 | 234,412 | 217,825 | |

| Name of investment company | Name of Investee Company | Location | Main business items | Original investment amount | | Held at the end of the period | | | Net Income (Losses) of the Investee company | Investment income (loss) recognized | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | End of the period | the end of last year | Number of shares | ratio | Book Value | | | |
| Southeast Investment Co., Ltd | Penghu Cable Television Co., Ltd. | Penghu County | Cable TV | 51,093 | 51,093 | 8,000 | 40.00 | 123,873 | 23,925 | 9,570 | |
| | Penghu Bay Co., Ltd. | Penghu County | Beach | 60,347 | 60,347 | 1,663 | 38.68 | 16,694 | 148 | 57 | |
| | Southeast Construction Co., Ltd. | Kaohsiung City | Architecture industry | 29,381 | 29,381 | 12 | 10.92 | 31,775 | 11,298 | 1,230 | |
| | Taiwan Machinery Shipyard Co. ,Ltd | Kaohsiung City | Engineering industry | 5,826 | 5,826 | 454 | 0.55 | 6,524 | (4,527) | 29 | |
| | Southeast Topgood Resources Recycling Co., Ltd. | Kaohsiung City | Waste Clearance and Disposal | 1,700 | 1,700 | 170 | 1.00 | 2,285 | 71,697 | 717 | (Note) |
| | Southeast Milo International Co., Ltd. | Kaohsiung City | Real Estate Leasing Industry | 1,400 | 1,000 | 140 | 1.00 | 451 | (14,144) | (141) | (Note) |
| | Total | | | | | | | 181,602 | 88,397 | 11,462 | |

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

Table 8

Southeast Cement Co., Ltd. and Subsidiaries
Information on Major Shareholders
December 31, 2024

Unit: shares

| Name of major shareholders | Total shares owned | Percentage of shareholding |
|---|---|---|
| Tong Shu Investments Co., Ltd. | 80,496,816 | 14.07% |
| Taiwan Machinery Shipyard Co., Ltd. | 49,292,761 | 8.62% |
| Evergreen Co., Ltd. | 40,070,010 | 7.01% |
| Fukang Cultural and Education Foundation | 38,829,350 | 6.79% |
| Baifu Investments Co., Ltd. | 37,356,148 | 6.53% |
| Southeast Cultural Foundation | 33,421,803 | 5.84% |

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

## (XIV) Segment Information

1. General Information:

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

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

2. Measurement basis:

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

3. Segment Financial Information:

   2024:

| | Production Department | Construction Department | Engineering Department | Leasing Department | Adjustment and write-off | Total |
|---|---|---|---|---|---|---|
| Net revenues | | | | | | |
| Revenues from external customers | $ 2,255,882 | $ 460,668 | $ - | $ 156,408 | $ - | $ 2,872,958 |
| Interdepartmental Revenues | 173,746 | - | 8,360 | 97,866 | (279,972) | - |
| Total net revenue | $ 2,429,628 | $ 460,668 | $ 8,360 | $ 254,274 | $ (279,972) | $ 2,872,958 |
| Departmental profit | $ 229,673 | $ 127,317 | $ (5,643) | $ 178,819 | $ (60,946) | 469,220 |
| General operating expenses of the Company | | | | | | (133,204) |
| Non-operating income and expenses | | | | | | 98,168 |
| Profit before tax | | | | | | $ 434,184 |
| Income tax benefit (expense) | | | | | | (56,961) |
| Profit after tax | | | | | | $ 377,223 |
| Segment Assets | | | | | | $ 12,721,937 |
| Segment Liabilities | | | | | | $ 3,155,984 |

2023:

| | Production Department | Construction Department | 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 | $ 2,217,792 | $ - | $ 81,447 | $ 248,239 | $ (273,960) | $ 2,273,518 |
| Departmental profit | $ 89,920 | $ - | $ 7,115 | $ 152,081 | $ (66,116) | 183,000 |
| General operating expenses of the Company | | | | | | (123,622) |
| Non-operating income and expenses | | | | | | 127,998 |
| Profit before tax | | | | | | $ 187,376 |
| Income tax benefit (expense) | | | | | | (31,323) |
| Profit after tax | | | | | | $ 156,053 |
| Segment Assets | | | | | | $ 11,821,562 |
| Segment Liabilities | | | | | | $ 2,796,324 |

4. Product and service information:

The Group has categorized its operating segments on the basis of business type and therefore does not disclose separate product and service information.

(1) Geographical information:

A. Revenue from external customers (categorized on the basis of the countries in which the customers are located):

| Country | 2024 | 2023 |
|---|---|---|
| Taiwan | $ 2,872,958 | $ 2,273,518 |

B. Non-current assets:

| Country | 2024 | 2023 |
|---|---|---|
| Taiwan | $ 8,125,993 | $ 7,826,822 |

(2) Important customer information:

| | 2024 | |
|---|---|---|
| Customer | Amount | As % of net sales |
| Customer A from Production Department | $ 199,119 | 6.93% |

| | 2023 | |
|---|---|---|
| Customer | Amount | As % of net sales |
| Customer A from Production Department | $ 256,875 | 11.30% |