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Goldsun Building Materials Co., Ltd.

2023 Annual Report

Date of Printing: February 29, 2024

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Name of auditors of the latest audited financial report, and name, address, telephone and website of CPA firm

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Name of CPA Firm: Ernst & Young Taiwan
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Name of overseas exchange where securities are listed, and the methods for inquiring the foreign-listed securities: NA.

Company's website: <https://www.gdc.com.tw>

INDEX

One. Letter to Shareholders	1
Two. Company Profile	4
I. Date of establishment	4
II. Company history	4
Three. Corporate Governance Report	6
I. Organizational system	6
II. Profile of directors, president, vice presidents, assistant vice presidents, and supervisors of departments and branches	9
III. Remuneration paid during the most recent fiscal year to directors of the board, the president, and vice presidents	15
IV. Implementation of corporate governance	22
V. Audit fee of independent auditors	52
VI. Change of auditors	53
VII. If the chairman, president and managers in charge of the Company's finance and accounting operations held any positions within the Company's independent audit firm or its affiliates during the past one year	53
VIII. Changes in the transfer or pledge of shares by directors, officers, and shareholders holding over 10% of the outstanding shares in the previous year and by the date of report publication	54
IX. Information on top ten shareholders and their mutual relationship	55
X. The total number of shares and total equity stake held in any single enterprise by the Company, its directors, managerial officers, and any companies controlled either directly or indirectly by the Company	57
Four. Financing Activities	58
I. Capital and shares	58
II. Issuance of corporate bonds	62
III. Issuance of preferred stocks	62
IV. Issuance of overseas depository receipts	62
V. Status of employee stock option plan	62
VI. Status of employee restricted stock	62
VII. New share issuance in connection with mergers and acquisitions	62
VIII. Financing plans and implementation	62
Five. Overview of Operations	63
I. About Our Business	63
II. Markets, production, and marketing	67
III. Employee information	72
IV. Environmental protection expenditure	77
V. Information Security Management	81
VI. Labor relations	83
VII. Important contracts. Litigation or non-litigation incidents	84

Six. Overview of Financial Status	85
I. Condensed balance sheet and income statement and accountants' auditing recommendations for the past five years	85
II. Financial analysis for the last five years	89
III. Audit committee review of the most recent annual financial report	92
IV. Consolidated financial statements for the most recent fiscal year audited and validated by certified public accountants	93
V. Parent-only financial statements for the most recent fiscal year audited and validated by certified public accountants	205
VI. If the company and its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation	299
Seven. Review and Analysis of the Financial Position and Performance and Risk Management	299
I. Financial position	299
II. Financial performance	300
III. Cash flow	301
IV. Impact of major capital expenditures on financial operations.....	302
V. Company's re-investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year	302
VI. Analysis and assessment of risks in the most recent fiscal year and up to publication date of the annual report	302
VII. Other important matters	305
Eight. Special Matters to be Included	306
I. Information related to the Company's affiliates	306
II. Status of private placement of securities during the most recent fiscal year or up to the date of publication of the annual report	316
III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or up to the date of publication of the annual report	316
IV. Other matters that require additional description	316
Nine. If any of the situations listed in Article 36, paragraph 3, sub-paragraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, have occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report	316

Greetings to all of our valued shareholders,

This year marks the 70th anniversary of Goldsun Building Materials. The Company continues to promote strategies that are ahead of the industry such as "Great Traceability Management," "Peace-of-Mind Building Materials Traceability," and "Technology-Based Service and Operation Control." In recent years, Goldsun Building Materials has proactively responded to the global vision of achieving net-zero emissions by 2050. To this end, the Company has implemented the Group's "Carbon-Related Competitive Advantage Strategy" in advance and introduced the first electric pre-mixed concrete truck in Taiwan. Goldsun Building Materials has become the best supporter not only in the factory construction for Taiwan's technology industries such as TSMC, and in the creation of beautiful buildings like Taichung Opera House, Tao Zhu Yin Yuan, Nanshan Breeze Plaza, Global One, and Kaohsiung Music Center, but also in iconic residential construction projects all over Taiwan.

In addition, the reason why Goldsun Building Materials continues to achieve good results is that it has long ago broken the myth that quantity guarantees success and adopted the "Quality-Oriented Delivery" strategy. In recent years, we have not been deliberately pursuing volume growth of concrete shipments in Taiwan. On the contrary, in terms of quality, Goldsun Building Materials has continued to increase the proportion of niche high-end concrete shipments, and has become more active in the deployment of low-carbon and innovative high-end concrete products. These initiatives have driven an increase in the Company's profit. Within the trends of repatriation of Taiwanese business, factory expansion of technology industry, and the robust construction activity in the regional housing market driven by forward-looking construction projects, the Company's profit is expected to continue to climb to new heights. At the same time, it will also be able to cater the demands for other construction materials in the green building market, such as low-carbon concrete, positioning itself ahead of the industry.

Business and Financial Performance

The consolidated revenue of Goldsun Building Materials Co., Ltd. in 2023 was NT\$21,041,131 thousand, which was a decrease of NT\$237,649 thousand, or 1.12% (please refer to the table below), over NT\$21,278,780 thousand in 2022. The 2023 net income was NT\$3,621,076 thousand and the earnings per share was NT\$3. The composition of consolidated revenue is as follows:

Unit of amount: NT\$ in thousands

Name of endorsees	2023	2022	Growth	Growth
Goldsun Building Materials Co., Ltd.	17,870,020	16,984,058	885,962	5.22%
Suzhou Ready-Mix Concrete Company	1,415,938	2,432,478	(1,016,540)	(41.79%)
Wellpool Co., Ltd.	951,605	1,032,314	(80,709)	(7.82%)
Others (including write-offs)	803,568	829,930	(26,362)	(3.18%)
Total	21,041,131	21,278,780	(237,649)	(1.12%)

Technological Development

Goldsun Building Materials attaches great importance to R&D. While ready-mixed concrete may appear to be a conventional industry, with many assuming it's simply a mixture of cement and sand, this is not the case. The formulation of concrete involves a considerable amount of specialized knowledge. In terms of technology development, Goldsun Building Materials has invested in its R&D center for more than 20 years, currently boasting nine high-end concrete and continuously introducing new low-carbon concrete technologies. Meanwhile, in response to the global net zero carbon emission arrangement, it has fully launched the green product design and deployment, as well as applied for carbon inventory, carbon footprint and other international certifications. These initiatives have become the Company's most important competitive advantage, allowing it to maintain a leading position within the industry not only currently but also in the future.

With its leadership in product R&D, Goldsun Building Materials will continue to set the trends in low-carbon green building materials, practicality and performance of factories, and aesthetics of buildings in Taiwan and meet the performance and application requirements of products. Goldsun Building Materials consistently serves as “double leader” in both technology and market. For 2024, our progress of R&D and development of products will include: 1. Collaborate with corporate technical entities to develop carbon storage technologies for multifaceted concrete, and cooperate with units that are continuing to explore carbon capture technologies. 2. Continue feasibility study on the alternative raw materials of diverse by-products and expand the development of related products such as low-carbon building materials. 3. Encourage application for green building materials labeling and verify product carbon footprints for accurate labeling. 4. Continuously develop and introduce automated equipment, as well as establish self-owned AI smart production technology for ready-mixed concrete. 5. Development of high-performance, low-heat-of-hydration, and other functional concrete products. 6. Continue to expand the scope of national-level TAF-accredited laboratory testing.

Future Development (Impact from Competitive Environment, Regulatory Environment and Overall Operating Environment)

Overall business environment: According to the Department of Statistics of the Ministry of Economic Affairs, the total volume of ready-mix concrete sold in Taiwan in 2022 and 2023 were 49,939 thousand m³ and 49,461 thousand m³ (year-over-year decrease of 0.96%) thousand cubic meters, respectively. For Goldsun Building Materials, the total volume of ready-mix concrete sold in 2023 was over 6,000 thousand m³, a stable amount compared with that of recent years. For 2024, it is expected that the domestic real estate market will sustain the trend of stable growth through the last year, and the sales volume of ready-mixed concrete remained flat. At the same time, the pursuant of “Quality-Oriented Delivery Strategy” will further deepen and simmer, enabling the Group to maintain profitability and continue performing well.

As for the impacts of external competitive environment: It is anticipated that international institutions have predicted that global trade activities are expected to resume growth in 2024. However, we still face challenges from many uncertain factors such as the Red Sea crisis, the race for green subsidies, extreme weather events, and geopolitical risks. In addition, as both

central and local governments in Taiwan continue to promote railroad construction, the budget scale of public construction has also remained at an all-time high. It is expected to drive the development and utilization of surrounding land, leading to an increase in civil tenders in the future. Therefore, it is expected that the construction industry will experience an improvement in boom in the future. As the completion of public construction and traffic network projects continues to drive the growth of nearby regions, the real estate market is expected to maintain its positive trends. For example, the Beitou Shilin Technology Park and new industry clusters in Hsinchu, Miaoli, Taichung, Tainan, and Kaohsiung due to the expansion of numerous technology corporations create tech corridors reminiscent of the golden Silicon Valley. Through industry investment and urban renewal, it is anticipated to inject more vitality to the surrounding housing markets.

Operation and challenges

Therefore, faced with abovementioned challenges of external factors and market opportunities, Goldsun Building Materials will continue to highlight the positive and negative factors in its future development strategies, and respond actively and flexibly. In terms of our development plan, Goldsun Building Materials will continuously foster the carbon neutrality progress, improve the Group's green operation arrangement, engage in advanced green product design, and strengthen technology-based operation control, high-end concrete research and development, and Goldsun Peace-of-Mind Building Materials Traceability. The Company will also continue to implement distribution channels for all plants in Taiwan and regional joint defense strategy. The Xizhi No.2 plant, which is under construction, is expected to be commissioned in 2024. It is anticipated that the Group's operation and profit will continue to hit a new record. As for the regulatory environment, the Company is ready to take appropriate measures to comply with the regulations at any time, and accordingly revise the internal standards and relevant regulations.

In addition to the above-mentioned operational competitive advantages, the most important thing is that the asset energy accumulated by Goldsun Building Materials for 70 years since its establishment. It is not only a blue-chip asset stock, but also a gold mine for the Group to become a high-quality enterprise of the century. As for the non-operating aspect, the Group currently owns more than 447,000 pings of land in Taiwan. These assets represent a substantial reservoir of potential value, akin to a vast source of living water. Therefore, the Group will also continue the revitalization process of the large-scale development in Nangang and the Hualien International Hotel. This effort aims to revitalize these assets to be integrated into the regular operations of Goldsun Building Materials, with the expectation of generating additional profits for the Group and steadily becoming a high-quality enterprise of the century!

We give you our best regards for the upcoming future!

Chairman Lan-Ying Hsu

Two. Company Profile

I. Date of Establishment: November 1954.

II. Company history

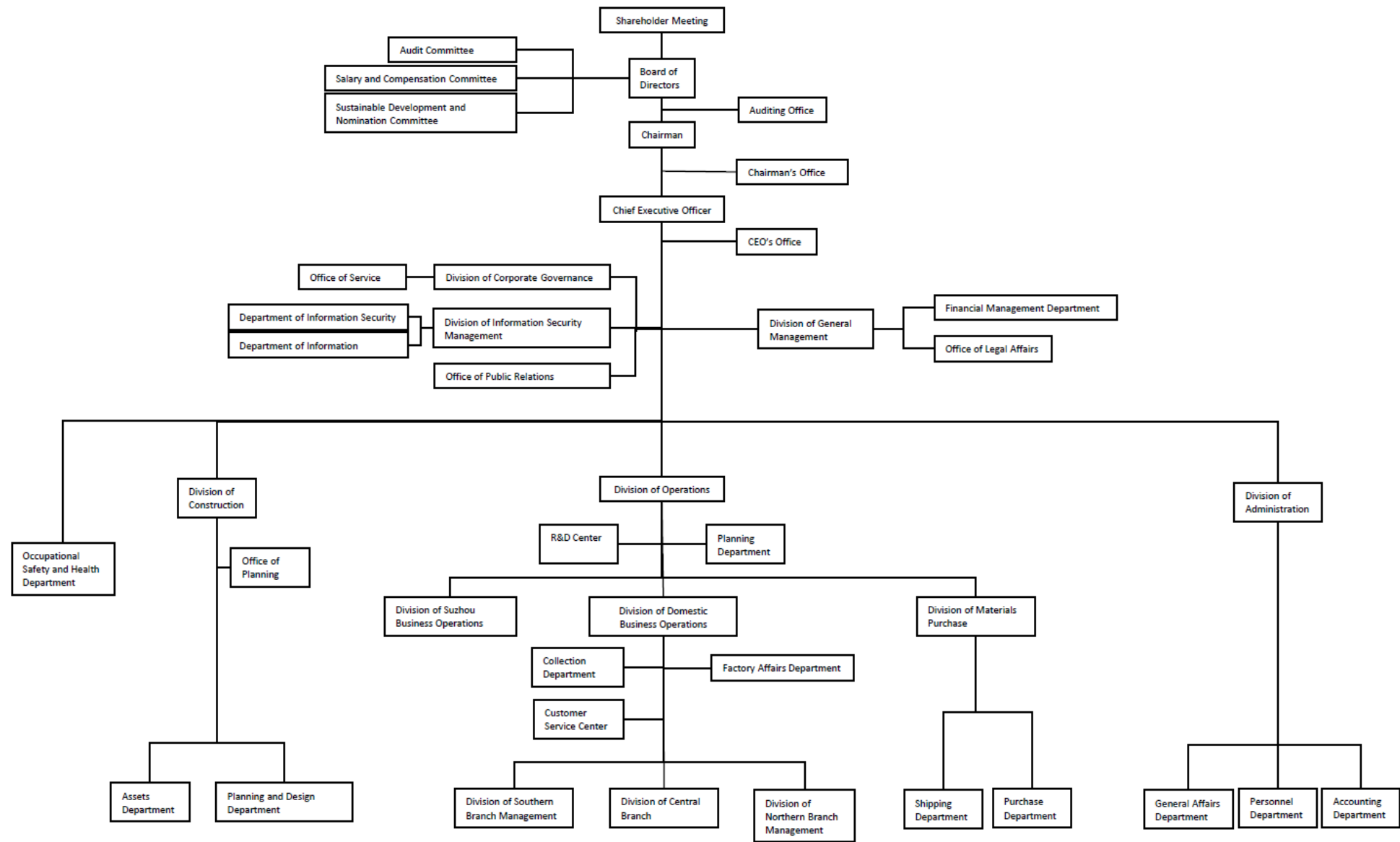
1. The Company was founded in November 1954. The original name was Goldsun Cement Processing, with a capital of NT\$1.5 million. The Taipei plant was located at No. 33, Section 3, Nangang Road, Nangang District. At the time, the Company focused on importing new technologies and manufacturing electric power poles and foundation piles to serve the government in the first phase economic construction program which sought to expand power, telecommunication and other public facilities. - In 1960, the Company adopted the prestressed method to manufacture hollow-core prestressed concrete power poles and foundation piles.
2. In response to the growth of domestic infrastructure projects, the Company established the nation's first ready-mix-concrete equipment in 1965 at the Taipei plant, which offered automatic control and measurement in production. The quality and stability of products were highly valued and praised by the construction industry.
3. The Kaohsiung plant was established on Jianguo Road in Kaohsiung City in 1966. It produced ready-mix-concrete to supply various construction projects in the Greater Kaohsiung area.
4. In 1969, the Company was reorganized as Goldsun Industry Construction, and a construction department was established to manage the lease and sales of public housing, stores and buildings constructed by construction companies and branch out to other scope of business.
5. In 1978, the Shulin plant was established in Shulin Township of Taipei County to manufacture prestressed concrete power poles, foundation piles and other cement products by high-pressure curing equipment. In 1981, the equipment for prestressed products in Taipei plant was transferred to Shulin plant to expand the production capacity to serve the market demand.
6. In 1979, Kaohsiung plant was relocated to Daliao Township of Kaohsiung County in response to the new development of Kaohsiung City, and the plant was later renamed Fengshan plant.
7. In 1982, Miaoli plant was established in Gongguan Township of Miaoli County to manufacture ready-mix-concrete to supply the various local construction projects. The plant was later moved to Tongluo Township in 1989.
8. In 1984, Sanyi branch was established in Sanyi Township in Miaoli County to manufacture ready-mix-concrete and gravel to supply construction projects in Miaoli and Taichung.
9. In 1986, the Company purchased China Asbestos Tile Factory located in Zhunan Township in Miaoli County and renamed it as Zhunan plant to manufacture cement wave roofing sheets and flat sheets.
10. In 1987, the Zhubei and Zhonghua plants were established in Zhubei City in Hsinchu County and Gushan District of Kaohsiung City, respectively, to manufacture ready-mix-concrete to supply the market in the local region.
11. In 1988, the Zhongli plant was established to manufacture ready-mix-concrete to supply the market in Taoyuan.
12. In 1989, Tainan plant and Chiayi plant were successively established in Yongkang Township of Tainan County and Minxiong Township of Chiayi County to manufacture ready-mix-concrete to supply the ready-mix-concrete market in Tainan and Chiayi.
13. In 1990, the Hsinchu plant and Kaohsiung plant were established in Hsinchu City and Zuoying District in Kaohsiung City to manufacture ready-mix-concrete to supply the regional market. Due to the shortage of gravel and sand in the north, the Yilan sand and gravel plant was established in Yuanshan Township of Yilan County to supply the Company's plants in northern Taiwan.
14. In 1991, Goldsun Building on Zhengzhou Road in Taipei City was completed, and the head office was relocated to the building.
15. In 1993, Xiaogang branch was established in Xiaogang District of Kaohsiung City to manufacture ready-mix-concrete to supply the regional market.

16. In 1994, the Keelung plant and Taoyuan plant were established in Keelung City and Bade City in Taoyuan County to manufacture ready-mix-concrete to supply the regional market.
17. In 1996, Bali branch plant, Shulin branch plant, Xinying branch plant and Dounan branch plant were established in Bali Township and Shulin Township of Taipei County, Yanshui District in Tainan County and Dounan Township in Yunlin County, respectively, to manufacture ready-mix-concrete to supply the regional market. The Zhonghua branch plant was abolished due to the rezoning of the city.
18. In 1997, Luzhu branch plant, Renwu branch plant, Taichung plant, Dadu branch plant, Yilan branch plant and Hualien branch plant were established in Luzhu Township of Taoyuan County, Renwu Township of Kaohsiung County, Longjing Township and Dadu Township of Taichung County, Yuanshan Township of Yilan County and Ji-an Township of Hualien County, respectively, to manufacture ready-mix-concrete to supply the regional market.
19. In April 1998, the Linkou branch plant was established in Guishan Township of Taoyuan County to manufacture ready-mix-concrete to supply the regional market.
20. In 2000, the Tucheng branch plant, Tongxiao branch plant, Chiatai branch plant, Dahu branch plant and Xinshi branch plant were established in Tucheng City of Taipei County, Tongxiao Township of Miaoli County, Taibao City of Chiayi County, Shanhua Township of Tainan County and Hunei Township of Kaohsiung County, respectively, to manufacture ready-mix-concrete to supply the regional market.
21. In November 2001, Kao-Nan branch plant was established in Renwu Township of Kaohsiung County to manufacture ready-mix-concrete to supply the regional market.
22. The Company started to establish plants in Suzhou, China in October 2002. There are currently Luzhi Pipe and Pile Plant, and six ready-mix-concrete plants in Luzhi, Changshu, Taicang, Wuzhong, Wujiang and Kunshan.
23. In 2005, a cement factory was established in Yongding District of Longyan City in Fujian Province.
24. In 2007, a cement factory was established in Doulishan Town of Loudi City Lianyuan City in Hunan Province.
25. In August 2009, the Company established Taipei Port Terminal Company Limited to engage in the construction and operation of the second bulk cargo storage and logistics center of Taipei Port.
26. In 2012, Taichung plant was established in Nantun Industrial Park of Taichung City to manufacture ready-mix-concrete to supply the regional market.
27. In 2013, Taipei Port plant was established in Bali District of New Taipei City to manufacture ready-mix-concrete to supply the regional market.
28. In 2014, the Company acquired the plant and equipment from Da-Chong Concrete in Renwu District of Kaohsiung City to establish its Renwu plant to manufacture ready-mix-concrete to supply the regional market.
29. On June 23, 2015, the Taipei City Government approved the name change of the Company, and Goldsun Industry Construction Co., Ltd. was renamed as Goldsun Building Materials Co., Ltd.
30. In 2016, Xizhi plant was established in Xizhi District of New Taipei City to manufacture ready-mix-concrete to supply the regional market.
31. In 2017, Dongda plant was established in Hsinchu City to manufacture ready-mix-concrete to supply the regional market.
32. In 2018, Gangshan plant was established in Kaohsiung City to manufacture ready-mix-concrete to supply the regional market.
33. In 2023, Taiping plant was established in Taiping District of Taichung City, and Rende plant was established in Rende District of Tainan City to manufacture ready-mix-concrete to supply the regional market.
34. Xizhi No.2 plant is expected to be established in Xizhi District of New Taipei City in 2024 to manufacture ready-mix-concrete to supply the regional market.
35. The Company's current paid-in capital is NT\$11,800,000 thousand.

Three. Corporate Governance Report

I. Organizational system

(I) Corporate organization



(II) Duty and function of each unit:

Department	Main duty
Auditing Office	1. Establish and execute annual audit plans in accordance with the internal control protocols and results of risk assessment. 2. Inspect and review violations of internal control protocols, measures effectiveness and efficiency of operations and offers timely recommendations for improvements to ensure the continuing compliance with internal control protocols.
Chairman's Office	1. Formulate the Group's development strategy and guidelines. 2. Safekeeping of both the chairman's and vice chairman's personal seal, and coordinating each division.
CEO's Office	1. Formulate the Company's operational objectives and supervise the implementation of the annual operational objectives of each division. 2. Implement the project plans and evaluate new business development.
Division of Corporate Governance	1. Handle matters related to the Board meetings and Shareholders' Meetings in accordance with the law, and complete routine stock affairs. 2. Assistance offered for inauguration and continuing education of directors. 3. Prepare directors with the information needed for carrying out their tasks and help directors comply with the regulations. 4. Arrange and compile the sustainability report. 5. Organize and execute the goals of corporate governance evaluation.
Division of Information Security Management	1. Introduce and promote the implementation of operations related to information security management and information service management. 2. Monitor the effectiveness of various protection for information security and implement information security risk management to safeguard our information assets. 3. Conduct maintenance operations related to information security management and information services, along with continuously improving operating procedures. 4. Supervise and manage information service contracts, project implementation, and service quality of information outsourcing vendors. 5. Promote information modernization and digital transformation to foster operational development and to continuously strengthen information security defenses. 6. Promote the establishment of information security concepts and the implementation of various information administration practices within related departments.
Office of Public Relations	1. External communication and matters related to press releases in the media. 2. Application management and review of internal and external brand image and CIS. 3. Plan and execute various publicity activities on internal and external relations.
Division of General Management	1. Business law affairs and project planning of the Group. 2. Application for line of credit and capital allocation, financing and control to financial institutions. 3. Management of negotiable securities and company seals. 4. Feasibility and benefit assessment of reinvestment. 5. Analyze operations and management of each subsidiary and affiliate. 6. Planning and implementation related to the investor relations of the subsidiary companies, and tasks involved in the board of directors and the shareholders' meetings.

Department	Main duty
Division of Administration	1. Comprehensive planning and supervision of administrative affairs. 2. Planning, procurement, and management of the general affairs and shareholders meetings. 3. Planning and management of human resources and personnel management affairs. 4. Follow-up and improvement of accounting budget, tax planning and abnormal financial cases. 5. Announcement and communication of public information and legal person information of publicly traded companies.
Division of Operations	1. Overall operational planning of ready-mix-concrete. 2. Establish and implement targets for manufacturing, sales and quality of ready-mix-concrete products in Taiwan and China. 3. Research, development and improvement of manufacturing technologies and product quality. 4. Manage overall customer service satisfaction. 5. Establish targets for procurement, and plan and implement performance control measures. 6. Develop sources of sand and gravel, and plan and implement quality control measures. 7. Planning of ship safety management, ship scheduling, ship operation and capacity.
Division of Construction	1. Comprehensive planning, execution and management of real estate development, purchase, sales and lease and operation of shopping malls. 2. Assessment, analysis and reporting of sales strategies, planning and design and budgeting for real properties. 3. Coordination and joint development of Group's assets and contract bidding. 4. Construction management and engineering integration to promote construction projects.
Occupational Safety and Health Department	Formulate, plan, supervise and promote occupational safety and health measures of the whole company, and instruct relevant departments to implement the measures.

II. Profile of directors, president, vice presidents, assistant vice presidents, and supervisors of departments and branches:

(I) Information on board members:

February 29, 2024

Title	Nationality or registration place	Name	Gender and Age	Election / Appointment Date	Term Duration	Initial Elected Date	Number of Shares Owned at Time of Election		Number of Shares Currently Held		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background	Concurrent Position in the Company or other Companies	Other managers, directors of supervisors who are spouse or blood relatives within the second degree			Remarks
							Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Title	Name	Relationship	
Chairman	Republic of China	Lan-Ying Hsu	Female 61-70	2022/5/31	3 years	2016/6/13	966,832	0.08%	966,832	0.08%	—	—	1,508,944	0.13%	Bachelor's degree from the Department of Oriental Languages at Fu Jen Catholic University	President of Division of General Management at Taiwan Secom Co., Ltd. Director of Wellpool Co., Ltd.	—	—	—	—
Vice Chairman	Republic of China	Yuan-Shin Investment Co., Ltd.	—	2022/5/31	3 years	2004/6/25	17,333,250	1.47%	17,508,250	1.48%	—	—	—	—	—	—	—	—	—	—
	Republic of China	Representative: Vincent Lin	Male 41-50	2022/5/31	3 years	2004/6/25	6,468,322	0.55%	7,911,273	0.67%	241,997	0.01%	—	—	Doctor of Juridical Science, University of California-Hastings College of the Law	Vice Chairman of Taiwan Secom Co., Ltd. Independent director of Mercuries Data Systems Ltd. Independent Director	Director	Frank Lin	Brother	—
Director	Republic of China	Taiwan Secom Co., Ltd.	—	2022/5/31	3 years	2007/6/28	77,705,747	6.59%	77,705,747	6.59%	—	—	—	—	—	—	—	—	—	—
	Republic of China	Representative: Yu-Feng Lin	Male 71-80	2022/5/31	3 years	2016/6/13	185,581	0.02%	185,581	0.02%	43,116	0.00%	—	—	PhD, International Politics, University of Virginia	—	—	—	—	—
Director	Republic of China	Sheng-Hung Wang	Male 41-50	2022/5/31	3 years	2022/5/31	11,834,154	1.65%	13,811,720	1.17%	—	—	—	—	Guo-Mao Transportation President	Guo-Mao Transportation President	—	—	—	—
Director	Republic of China	Hongxiu Investment Co., Ltd.	—	2022/5/31	3 years	2022/5/31	10,261,173	0.87%	10,400,000	0.88%	—	—	—	—	—	—	—	—	—	—
	Republic of China	Representative: Hsiu-Liang Lin	Male 41-50	2022/5/31	3 years	2022/5/31	1,859,000	0.16%	1,859,000	0.16%	—	—	—	—	Bachelor's degree from Embry-Riddle Aeronautical University	China Airlines Ltd. Chief pilot of the Flight Operations Division	—	—	—	—
Director	Republic of China	Chang-Ming Development Co., Ltd.	—	2022/5/31	3 years	2022/5/31	11,665,263	0.99%	11,747,263	1.00%	—	—	—	—	—	—	—	—	—	—
	Republic of China	Representative: Shih-Tsung Chang	Male 61-70	2022/5/31	3 years	2007/6/28	6,001,456	0.51%	6,001,456	0.51%	—	—	—	—	California State University Master of Business Administration	Chairman of Wellpool Co., Ltd.	—	—	—	—
Director	Republic of China	Cheng Hsin Investment Co., Ltd.	—	2022/5/31	3 years	2022/5/31	31,026,689	2.63%	33,781,689	2.86%	—	—	—	—	—	—	—	—	—	—
	Republic of China	Representative: Frank Lin	Male 41-50	2022/5/31	3 years	2008/6/26	2,406,000	0.20%	3,848,950	0.33%	—	—	—	—	Middlesex University Master's degree from Business Management (Marketing)	Taiwan Secom Co., Ltd. Chairman	Vice Chairman	Vincent Lin	Brother	—
Director	Republic of China	Shang Jing Investment Co., Ltd.	—	2022/5/31	3 years	1998/5/28	5,928,563	0.50%	5,928,563	0.50%	—	—	—	—	—	—	—	—	—	—
	Republic of China	Representative: Hong-Jun Lin	Male 31-40	2022/5/31	3 years	2019/6/20	—	—	87,261	0.01%	—	—	—	—	Master of Business Administration from INSEAD	Supervisor at Shang Jing Investment	—	—	—	—
Independent Director	Republic of China	Wen-Che Tseng	Male 61-70	2022/5/31	3 years	2019/6/20	—	—	—	—	—	—	—	—	EMBA, College of Management, National Cheng Kung University	Catcher Technology Co., Ltd. Independent Director	—	—	—	—
Independent Director	Republic of China	Tai-Jen Chen	Male 71-80	2022/5/31	3 years	2022/5/31	—	—	—	—	—	—	—	—	PhD, Atmospheric Science, University at Albany, State University of New York	Chairman of Chinese Culture University	—	—	—	—
Independent Director	Republic of China	Yin-Wen Chan	Male 51-60	2022/5/31	3 years	2016/6/13	—	—	—	—	—	—	—	—	Ph.D. in Civil Engineering, University of Michigan	Professor at National Taiwan University	—	—	—	—
Independent Director	Republic of China	Chi-Te Hung	Male 61-70	2022/5/31	3 years	2016/6/13	—	—	—	—	—	—	—	—	Master of Civil Engineering from National Taiwan University	Taiwan Professional Civil Engineers Association Chairman	—	—	—	—

Note: In the event that the Company's chairman and president or a position of the same level (top-level manager) are the same person, spouse or a first-degree relative, relevant information such as the reasons, rationality, necessity and future improvement measures must be disclosed (such as additional seats for independent directors, and ensuring the majority directors are not also concurrently in positions as employees or managers): Due to a position adjustment, Lan-Ying Hsu, who had been concurrently serving as the Company's Chairman and CEO, was relieved of her duties as CEO on February 24, 2023 and continued solely as the Chairman thereafter.

Table 1: Major shareholders of corporate shareholders

February 29, 2024

Name of Corporate Shareholders	Majority corporate shareholders
Taiwan Secom Co., Ltd.	Secom Corporation Japan (27.29%), Cheng Hsin Investment Co., Ltd. (4.79%), Trust Account for Yuanta/P-shares Taiwan Dividend Plus ETF (4.26%), Chunghwa Post (3.99%), Shin Kong Life Insurance Co., Ltd. (3.68%), Shin-Lan Enterprise (3.13%), Wan-Quan Du Charity Foundation (1.90%), JP Morgan Taipei as the custodian bank for First Eagle Sub-Fund FE Overseas Investment (1.89%), Yuan-Shin Investment Co., Ltd. (1.80%), Goldsun Building Materials Co., Ltd. (1.34%)
Yuan-Shin Investment Co., Ltd.	Vincent Lin (38.97%), Frank Lin (38.97%), Shiaw-Shinn Lin (22.06%)
Hongxiu Investment Co., Ltd.	Tai-Hung Lin (60%), Hsiu-Chiu Tsai (20%), Hsiu-Liang Lin (20%)
Chang-Ming Development Co., Ltd.	Ming-Ji Chang (36.11%); Chung-Chou Chang (16.46%); Shih-Tsung Chang (16.46%); Jin-Lian Chang Chen (11.26%); Xiao-Yan Zhan (5.63%); Yu-Chih Chang (5.63%); Shu-Fang Ko (5.63%); Kao-Huan Chang (2.82%)
Cheng Hsin Investment Co., Ltd.	Shiaw-Shinn Lin (44.28%), Vincent Lin (27.86%), Frank Lin (27.86%)
Shang Jing Investment Co., Ltd.	Hong-Jun Lin (26.85%), Jing-Yi Lin (25.00%), Li-Rong Yu (19.00%), Jia-Ling Lin (19.00%), Chen-Chuan Co., Ltd. (6.00%)

Table 2: Major shareholders of corporate shareholders in Table 1 who are legal persons:

February 29, 2024

Name of Legal Person	Majority corporate shareholders
Secom Japan	The Master Trust Bank of Japan, Ltd. (23%), Custody Bank of Japan, Ltd. (8.61%), JP MORGAN CHASE BANK (4.55%), The Master Trust Bank of Japan, Ltd.(3.18%), STATE STREET BANK WEST CLIENT-TREATY 505234(2.38%), SECOM Science and Technology Foundation (1.90%)
Cheng Hsin Investment Co., Ltd.	Shiaw-Shinn Lin (44.28%), Vincent Lin (27.86%), Frank Lin (27.86%)
Chunghwa Post	Ministry of Transportation and Communications (100%)
Shin Kong Life Insurance	Shin Kong Financial Holding (100%)
Percentage of ownership (%)	Cheng Hsin Investment (20.71%), Shiaw-Shinn Lin (20.08%), Frank Lin (11.92%), Vincent Lin (9.03%), Che-Hsiung Chen (5.01%), Ying-Kai Limited (4.74%), Mao-Jie Industrial (4.74%), Mao-Sen International (4.74%), Shi-Yi Huang (4.48%), Yuan-Shin Investment Co., Ltd. (2.60%)
Yuan-Shin Investment Co., Ltd.	Vincent Lin (38.97%), Frank Lin (38.97%), Shiaw-Shinn Lin (22.06%)
Goldsun Building Materials Co., Ltd.	Shin Lan Enterprise INC. (6.98%), Taiwan Secom Co., Ltd. (6.59%), Titan Star International Co., Ltd. (3.72%), Cheng Hsin Investment Co., Ltd. (2.86%), Shin Lan Investment INC. (2.24%), Concord International Securities Co., Ltd. (2.08%), Bank of Taiwan entrusted with the custody of Yuanta Taiwan High Dividend Low Volatility ETF Investment Trust Account (2.03%), Zhuang-Yan Wang (1.56%), Shiaw-Shinn Lin (1.51%), Yuan-Shin Investment Co., Ltd. (1.48%)
Chen-Chuan Co., Ltd.	Ming-Hsien Yu (100%)

Information About Board Members

1. Disclosure of professional qualifications of directors and independence of independent directors:

Conditions Name	Professional qualifications and experience	Independence	Concurrently serving as an independent director in other publicly listed companies
Chairman Lan-Ying Hsu	Served as chairman and director of listed companies and director of OTC companies, with broad industry experience and organizational management capabilities. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	—
Vice Chairman Vincent Lin	Served as vice chairman of listed companies and has rich industry experience and organizational management capabilities. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	1
Director Frank Lin	Served as chairman of listed companies and has rich industry experience and organizational management capabilities. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	—
Director Shih-Tsung Chang	Served as chairman of TPEx-listed companies and has rich industry experience and organizational management capabilities. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	—
Director Yu-Feng Lin	Once served as a legislator focusing on national defense issues, and was rated a top-performing legislator several times. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	—
Director Sheng-Hung Wang	Served as president of companies and has rich industry experience and organizational management capabilities. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	—
Director Hsiu-Liang Lin	Specialized technology and comprehensive judgment. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	—
Director Hong-Jun Lin	Served as director of companies and has rich industry experience and organizational management capabilities. Not been a person of any conditions defined in Article 30 of the Company Act.	Not applicable	—
Independent Director Wen-Che Tseng	Once served as the Executive Vice President and director of the Tax Affairs Department of Deloitte Taiwan, independent director of listed or OTC companies for several years, director of Tainan Enterprise Managers Association. Not been a person of any conditions defined in Article 30 of the Company Act.	Meet the eligibility criteria specified in Articles 2, 3 and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	3
Independent Director Tai-Jen Chen	University professors with more than five years of experience in relevant disciplines required by company businesses, has rich practical management and teaching experience. Not been a person of any conditions defined in Article 30 of the Company Act.	Meet the eligibility criteria specified in Articles 2, 3 and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	2

Conditions Name	Professional qualifications and experience	Independence	Concurrently serving as an independent director in other publicly listed companies
Independent Director Yin-Wen Chan	Executive director of relevant domestic and foreign industry associations and has rich practical management and teaching experience. Not been a person of any conditions defined in Article 30 of the Company Act.	Meet the eligibility criteria specified in Articles 2, 3 and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	—
Independent Director Chi-Te Hung	Chairman of the Taiwan Professional Civil Engineers Association and rich practical management and teaching experience. Not been a person of any conditions defined in Article 30 of the Company Act.	Meet the eligibility criteria specified in Articles 2, 3 and 4 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected and during the term of office.	—

2. Board diversity and independence:

(1) Diversity of the board:

A. Improve board effectiveness:

The board meeting is held at least once a quarter, and the chairman is mainly responsible for improving corporate governance and presiding over the operation of the board.

According to the Company's Articles of Incorporation and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", the selection of directors takes into account the overall configuration of the board. The composition of the board considers judgement in operations and business management capabilities, accounting and financial analysis capabilities, risk management, industry knowledge, international market perspectives, leadership, decision-making, etc.

B. Professional and diverse board of directors:

The current board is composed of 12 directors, including 4 independent directors who have not served for more than three terms, and they account for 1/3 of the board of directors. All board members are domestic citizens. As for the age distribution, there is 1 director aged 31-40 and 4 directors aged 41-50, helping the Company have more diverse and innovative perspectives.

The Company also values gender equality in the composition of the board. The current chairman of the board is female. In the future, the Company will continue to increase the proportion of female directors.

C. The orientation, complementarity and implementation of the diversity of directors will be better than the standards set forth in Article 23 of the Company's Corporate Governance Principles. In the future, the diversity policy will still be revised depending on the operation of the board, the type of operation and the development needs, including but not limited to basic criteria and values (gender, age, nationality, culture, etc.), professional knowledge and skills and professional background (such as law, accounting, industry, finance, marketing or technology) to ensure that board members generally have the necessary knowledge, skills and literacy to perform their duties. The overall capabilities of the board of directors of the Company are listed as follows:

Diversification Name	Basic composition					Professional experience								Professional competence
	Gender Age	Main Work Experience or Education Background	As an employee	Service Term of Independent Directors		Ability to make operational judgments.	Accounting and financial analysis.	Business administration.	Crisis management	Industry Knowledge.	Vision of the global market.	Leadership skills.	Decision making skills.	
				Less than 3 years	3 to 9 years									
Lan-Ying Hsu	Female 61-70	Department of Oriental Languages at Fu Jen Catholic University	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	Business
Vincent Lin	Male 41-50	Juris Doctor from Hastings College of the Law at University of California	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	Jurisprudence
Frank Lin	Male 41-50	Master's degree from Business Management (Marketing) at Middlesex University	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	Business marketing
Shih-Tsung Chang	Male 61-70	Master of Business Administration, California State University	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓	Company management
Yu-Feng Lin	Male 71-80	Ph.D. in International Politics, University of Virginia	-	-	-	✓	-	✓	✓	-	✓	✓	✓	Political science
Sheng-Hung Wang	Male 41-50	President of Guo- Mao Transportation	-	-	-	✓	✓	✓	✓	✓	-	✓	✓	Business administration.
Hsiu-Liang Lin	Male 41-50	Bachelor's degree from Embry–Riddle Aeronautical University	-	-	-	-	-	-	✓	-	✓	✓	✓	Risk management
Hong-Jun Lin	Male 31-40	Master of Business Administration from INSEAD	-	-	-	✓	✓	-	-	✓	-	✓	✓	Company management
Wen-Che Tseng	Male 61-70	EMBA, National Cheng Kung University	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	Finance, taxation and accounting
Tai-Jen Chen	Male 71-80	PhD Atmospheric Science, State University of New York, Albany	-	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	Professional qualifications in the field of atmospheric science and human resources management
Yin-Wen Chan	Male 51-60	Ph.D. in Civil Engineering, University of Michigan	-	-	✓	✓	-	✓	✓	✓	✓	✓	✓	Civil engineering
Chi-Te Hung	Male 61-70	Master of Civil Engineering from National Taiwan University	-	-	✓	✓	-	✓	✓	✓	-	✓	✓	Civil engineering

Note 1: For the nationality, gender and age of each director and independent director, please refer to (I) Profile of Directors in the annual report.

(2) Independence of the board:

- A. The Company has 12 directors, including 4 independent directors, who account for 33% of the board seats. The independent directors of the Company have issued statements at the time of election and during their term of office, respectively, stating that they meet the eligibility criteria specified in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 14-2 of the Securities and Exchange Act two years before being elected and during the term of office. The company shall review the independence of independent directors every year and issue an independent director qualification checklist for future reference in order to comply with the independence requirements.
- B. Vice chairman Vincent Lin and the representative of Cheng Hsin Investment, Frank Lin, are relatives within the second degree of kinship, and there are no circumstances stipulated in Paragraph 3 and 4, Article 26-3 of the Securities and Exchange Act.

(II). Information about the CEO, president, vice president, directors of departments, managers of departments:
Information about the CEO, president, vice president, directors of departments chiefs of departments and branches

February 29, 2024

Title	Nationality	Name	Gender	Election / Appointment Date	Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background	Concurrent Position in Other Companies	Managerial officers who are Spouse or Blood Relatives Within the Second Degree			Remarks
					Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Title	Name	Relationship	
Chief Executive Officer	Republic of China	Lan-Ying Hsu (Note 1)	Female	2014/6/27	966,832	0.08%	—	—	1,508,944	0.13%	University	President of Division of General Management at Taiwan Secom Co., Ltd. Director of Wellpool Co., Ltd.	—	—	—	—
CEO	Republic of China	Chih-Jen Wu	Male	2023/2/24	42,790	0.00%	29,000	0.00%	—	—	Research institute	Chairman of GALC INC.	—	—	—	—
President	Republic of China	Chiao Lin	Male	2013/1/1	—	—	—	—	—	—	Research institute	Chairman of Kuoyung Construction & Engineering Co., Ltd. Chairman of Rei Shin Construction Co., Ltd.	—	—	—	—
President	Republic of China	Chia-Ying Chen	Female	2020/3/17	—	—	—	—	—	—	Research institute	Supervisor of Taipei Port Terminal Company Limited Supervisor of Goyu Building Materials Co., Ltd.	—	—	—	—
President	Republic of China	Shang-Yuan Wen	Male	2022/2/25	—	—	—	—	—	—	Research institute	Director of GALC INC.	—	—	—	—
President	Republic of China	Chin-Yi Huang	Male	2022/2/25	141,310	0.01%	6,667	0.00%	—	—	Technical college	Chairman of Goldsun (Suzhou) Concrete Co., Ltd.	—	—	—	—
Vice President	Republic of China	James Chiu	Male	2013/3/25	10,339	0.00%	—	—	—	—	University	Supervisor of Rei Shin Construction Co., Ltd.	—	—	—	—
Vice President	Republic of China	Chih-Chiang Yang	Male	2017/5/16	2,454	0.00%	—	—	—	—	Research institute	President of Goyu Building Materials Co., Ltd.	—	—	—	—
Vice President	Republic of China	Kuo-Chung Lin	Male	2022/1/1	1,275	0.00%	875	0.00%	—	—	High school (vocational school)	—	—	—	—	—
Vice President	Republic of China	Jing-Bang Ma	Male	2022/1/1	—	—	4,279	0.00%	—	—	Research institute	—	—	—	—	—
Vice President	Republic of China	Wen-Te Chen	Male	2017/1/1	13,864	0.00%	86	0.00%	—	—	University	—	—	—	—	—
Vice President	Republic of China	Chia-Chen Lin	Male	2022/1/1	—	—	—	—	—	—	Research institute	—	—	—	—	—
Assistant Vice President	Republic of China	Chao-Yao Shih	Male	2022/1/1	—	—	—	—	—	—	University	—	—	—	—	—
Assistant Vice President	Republic of China	Chih-Ping Wang	Male	2015/12/21	—	—	—	—	—	—	Technical college	—	—	—	—	—
Assistant Vice President	Republic of China	Hao-Hsiang Hsu	Male	2017/5/16	—	—	—	—	—	—	Research institute	Chairman of Gimpo Marine Co., Ltd.	—	—	—	—
Assistant Vice President	Republic of China	Hsiu-Ju Lin	Female	2020/1/1	—	—	—	—	—	—	Research institute	—	—	—	—	—
Assistant Vice President	Republic of China	Liang-Cheng Lin	Male	2020/6/1	—	—	—	—	—	—	Research institute	—	—	—	—	—
Assistant Vice President	Republic of China	San-Tai Yeh	Male	2021/1/1	—	—	—	—	—	—	Technical college	—	—	—	—	—
Assistant Vice President	Republic of China	Chung-Rui Yang	Male	2022/1/1	—	—	—	—	—	—	Doctoral degree	—	—	—	—	—
Assistant Vice President	Republic of China	William Hsu	Male	2023/12/01	—	—	—	—	—	—	University	Supervisor of Kuoyung Construction & Engineering Co., Ltd.	—	—	—	—
Assistant Vice President	Republic of China	Chen-Chou Chen	Male	2016/5/3	—	—	—	—	—	—	Technical college	—	—	—	—	—
Assistant Vice President	Republic of China	Chi-Wen Ma	Male	2023/4/1	—	—	21,000	0.00%	—	—	Doctoral degree	Director of Goldsun Nihon Cement	—	—	—	—
Vice President (Chief Information Security Officer)	Republic of China	Chi-Fu Lin	Male	2023/12/01	—	—	—	—	—	—	University	—	—	—	—	—
Vice President (Principal Accounting Officer)	Republic of China	Lin-Yen Cheng	Female	2022/7/1	—	—	—	—	—	—	University	Supervisor of Reixin Asset Management Inc.	—	—	—	—
Assistant Vice President (Head of Corporate Governance)	Republic of China	Jie-Tang Chang	Male	2021/12/15	1,252	0.00%	—	—	—	—	University	Director of Rei Shin Construction Co., Ltd.	—	—	—	—

Note 1: CEO Lan-Ying Hsu resigned on 2023.02.24

III. Remuneration paid during the most recent fiscal year to directors of the board, the president, and vice presidents:

(I) Remuneration paid to directors and independent directors:

Unit: NT\$ thousands

(2) Remuneration paid to directors and independent directors.

Unit: NT\$ thousands

Title	Name	Directors' remuneration								Total Remuneration (A+B+C+D) as a % of the Net Income		Remuneration for concurrent position as an employee								Total Compensation (A+B+C+D+E+F+G) as a % of the Net Income		Compensation from invested businesses other than subsidiaries
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Directors (C)		Allowances for Operations (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employees' Profit Sharing Bonus (G)						
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report			
																Cash	Stock	Cash	Stock			
Chairman	Lan- Ying Hsu	8,100	8,548	-	-	50,574	50,574	60	260	58,734 1.66%	59,382 1.68%	1,350	1,350	200	200	-	-	-	-	60,284 1.71%	60,932 1.73%	-
Director	Yuan-Shin Investment Co., Ltd.	-	-	-	-	30,345	30,345	-	-	30,345 0.86%	30,345 0.86%	-	-	-	-	-	-	-	-	30,345 0.86%	30,345 0.86%	-
Director	Legal representative: Vincent Lin	10,600	14,418	-	-	60,689	61,911	290	1,730	71,579 2.03%	78,059 2.21%	-	-	-	-	-	-	-	-	71,579 2.03%	78,059 2.21%	-
	Cheng Hsin Investment Co., Ltd.																					
	Legal representative: Frank Lin																					
	Chiung Ming Development & Trading																					
	Legal representative: Shih- Tsung Chang																					
	Sheng- Hung Wang																					
	Hongxiu Investment Co., Ltd.																					
	Legal representative: Hsiu- Liang Lin																					
	Taiwan Secom Co., Ltd.																					
	Representative: Yu-Feng Lin																					
Independent Director	Wen-Che Tseng	14,400	14,400	-	-	-	-	530	530	14,930 0.42%	14,930 0.42%	-	-	-	-	-	-	-	-	14,930 0.42%	14,930 0.42%	-
	Tai-Jen Chen																					
	Chi-Te Hung																					
	Yin-Wen Chan																					

1. Please state the policy, system, standards and structure of remuneration payments to independent directors, and describe the relationship between the responsibility, risk, time committed to the organization and other factors and the amount of remuneration paid to them: The remuneration paid to independent directors is in accordance with the Salary and Remuneration Committee Organizational Charter, which assess the extent of their participation in the operation of the Company, time committed and attendance. The system, structure and payment standards have been approved by the Salary and Remuneration Committee and submitted to the board for resolution.

2. In addition to as disclosed in the above table, the remuneration received by the directors for their services provided (such as serving as a non-employee consultant for the parent company and all companies investment listed in the financial reports) in the most recent fiscal year: None.

Remuneration paid to directors and independent directors

Remuneration Paid to Directors	Name of Director			
	Total Remuneration from the First Four Items (A+B+C+D)		Total Remuneration from the First Seven Items (A+B+C+D+E+F+G)	
	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report
Below NT\$1,000,000	Directors: Frank Lin, Shih-Tsung Chang, Hsiu-Liang Lin, Yu-Feng Lin, Hong-Jun Lin	Directors: Hsiu-Liang Lin, Yu-Feng Lin, Hong-Jun Lin	Directors: Frank Lin, Shih-Tsung Chang, Hsiu-Liang Lin, Yu-Feng Lin, Hong-Jun Lin	Directors: Hsiu-Liang Lin, Yu-Feng Lin, Hong-Jun Lin
NT\$1,000,000 (included) - NT\$2,000,000 (excluded)		Directors: Frank Lin		Directors: Frank Lin
NT\$2,000,000 (included) - NT\$3,500,000 (excluded)				
NT\$3,500,000 (included) - NT\$5,000,000 (excluded)	Independent directors: Wen-Che Tseng, Tai-Jen Chen, Chi-Te Hung, Yin-Wen Chan	Independent directors: Wen-Che Tseng, Tai-Jen Chen, Chi-Te Hung, Yin-Wen Chan	Independent directors: Wen-Che Tseng, Tai-Jen Chen, Chi-Te Hung, Yin-Wen Chan	Independent directors: Wen-Che Tseng, Tai-Jen Chen, Chi-Te Hung, Yin-Wen Chan
NT\$5,000,000 (included) - NT\$10,000,000 (excluded)	Directors: Vincent Lin	Directors: Vincent Lin, Shih-Tsung Chang	Directors: Vincent Lin	Directors: Vincent Lin, Shih-Tsung Chang
NT\$10,000,000 (included) - NT\$15,000,000 (excluded)	Directors: Cheng Hsin Investment, Chiung Ming Development, Sheng-Hung Wang, Hongxiu Investment Co., Ltd., Taiwan Secom Co., Ltd., Shang Jing Investment Co., Ltd.	Directors: Cheng Hsin Investment, Chiung Ming Development, Sheng-Hung Wang, Hongxiu Investment Co., Ltd., Taiwan Secom Co., Ltd., Shang Jing Investment Co., Ltd.	Directors: Cheng Hsin Investment, Chiung Ming Development, Sheng-Hung Wang, Hongxiu Investment Co., Ltd., Taiwan Secom Co., Ltd., Shang Jing Investment Co., Ltd.	Directors: Cheng Hsin Investment, Chiung Ming Development, Sheng-Hung Wang, Hongxiu Investment Co., Ltd., Taiwan Secom Co., Ltd., Shang Jing Investment Co., Ltd.
NT\$15,000,000 (included) - NT\$30,000,000 (excluded)				
NT\$30,000,000 (included) - NT\$50,000,000 (excluded)	Directors: Yuan-Shin Investment Co., Ltd.	Directors: Yuan-Shin Investment Co., Ltd.	Directors: Yuan-Shin Investment Co., Ltd.	Directors: Yuan-Shin Investment Co., Ltd.
NT\$50,000,000 (included) - NT\$100,000,000 (excluded)	Director: Lan-Ying Hsu	Director: Lan-Ying Hsu	Director: Lan-Ying Hsu	Director: Lan-Ying Hsu
Over NT\$100,000,000				
Total	18 seats	18 seats	18 seats	18 seats

(II) Remuneration paid to the chairman, CEO, executive officers, president and vice presidents:

Unit: In NT\$1,000

Job Title	Name	Salary (A)		Severance Pay and Pensions (B)		Bonuses and Allowances (C)		Employees' Profit Sharing Bonus (D)				Total Remuneration (A+B+C+D) as a % of the Net Income		Compensation from invested businesses other than subsidiaries
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company		All Companies in the Financial Report		The Company	All Companies in the Financial Report	
								Cash	Stock	Cash	Stock			
Chairman	Lan-Ying Hsu	32,948	39,405	200	200	7,975	9,736	3,271	-	3,271	-	44,394 1.26%	52,612 1.49%	-
CEO	Chih-Jen Wu													
President	Chiao Lin													
President	Chia-Ying Chen													
President	Chin-Yi Huang													
President	Shang-Yuan Wen													
Vice President	James Chiu													
Vice President	Chih-Chiang Yang													
Vice President	Wen-Te Chen													
Vice President	Kuo-Chung Lin													
Vice President	Chia-Chen Lin													
Vice President	Jing-Bang Ma													
Vice President	Lin-Yen Cheng													
Chairman	Lan-Ying Hsu													
Vice President	Chi-Fu Lin													

Remuneration Paid to the General Manager and Vice General Manager	Name of Executive Officers, President and Vice Presidents	
	The Company	All Companies in the Financial Report
Below NT\$1,000,000	-	-
NT\$1,000,000 to NT\$2,000,000	-	-
NT\$2,000,000 to NT\$3,500,000	Lan-Ying Hsu, Ching-Pang Ma, Li-Yen Cheng, Chi-Fu Lin	Lan-Ying Hsu, Ching-Pang Ma, Li-Yen Cheng, Chi-Fu Lin
NT\$3,500,000 to NT\$5,000,000	Jin-Yi Huang, Chih-Chiang Yang, Wen-Te Chen, Chia-Chen Lin	Wen-Te Chen, Kuo-Chung Lin, Chia-Chen Lin
NT\$5,000,000 to NT\$10,000,000	Lei Lin, Chia-Ying Chen, Shang-Yuan Wen, James Chiu	Lei Lin, Chia-Ying Chen, Chin-Yi Huang, James Chiu
NT\$10,000,000 to NT\$15,000,000	Chih-Jen Wu	Chih-Jen Wu, Shang-Yuan Wen, Chih-Chiang Yang
NT\$15,000,000 to NT\$30,000,000	-	-
NT\$30,000,000 to NT\$50,000,000	-	-
NT\$50,000,000 to NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Grand Total	-	-

(III) Names of managers who are assigned employee compensation and the status of assignment:

Unit: NT\$1,000

	Title	Name	Stock Dividends	Cash Dividends	Grand Total	Total as % of the Net Income
Managerial Officer	CEO	Chih-Jen Wu	-	6,038	6,038	0.17%
	President	Chiao Lin				
	President	Chia-Ying Chen				
	President	Chin-Yi Huang				
	President	Shang-Yuan Wen				
	Vice President	James Chiu				
	Vice President	Chih-Chiang Yang				
	Vice President	Wen-Te Chen				
	Vice President	Kuo-Chung Lin				
	Vice President	Chia-Chen Lin				
	Vice President	Jing-Bang Ma				
	Vice President	Lin-Yen Cheng				
	Vice President	Chi-Fu Lin				
	Assistant Vice President	Chen-Chou Chen				
	Assistant Vice President	Chih-Ping Wang				
	Assistant Vice President	Hao-Hsiang Hsu				
	Assistant Vice President	William Hsu				
	Assistant Vice President	Hsiu-Ju Lin				
	Assistant Vice President	San-Tai Yeh				
	Assistant Vice President	Liang-Cheng Lin				
	Assistant Vice President	Chi-Wen Ma				
	Assistant Vice President	Chao-Yao Shih				
	Assistant Vice President	Jie-Tang Chang				
	Assistant Vice President	Chung-Rui Yang				
	President	Chih-Jen Wu				
	President	Chiao Lin				

(IV) Analysis on the ratio taken by the gross total of profit sharing from earnings paid by the Company and all firms disclosed in the consolidated financial statements to the directors, presidents and vice presidents of the Company to the net earnings after tax over the past two years, including a description of the policies, criteria and composition of profit sharing from earnings; the procedures to determine profit sharing from earnings, and their interrelations with business performance and future risks:

- (1) Analysis of the total remuneration paid by the Company and all firms disclosed in the consolidated financial statements, as a percentage of net income, to directors of the board, the president and vice presidents during the most recent two years:

Unit: NT\$1,000

Title	Remuneration as a percentage of net income (%)			
	2023		2022	
	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities
Director	5.02%	5.22%	4.62%	4.78%
Chief Executive Officer, President and Vice Presidents	1.26%	1.49%	1.21%	1.43%

- (2) The remuneration policies, standards and packages, the procedure for determining remuneration and its linkage to the Company's operating performance and future risks:

1. Remuneration policies, standards, and packages:

A. The shareholder meeting authorizes the board in accordance with Article 22 of the Company's Articles of Incorporation to determine the remuneration to directors based on their individual level of participation in and contribution to the Company's operation, and the remuneration follows the standard among industry peers. In addition, in accordance with Article 25 of the Company's Articles of Incorporation, the Company is profitable in the fiscal year, no more than 3% of the profit shall be allocated as remuneration for directors. Independent directors do not receive remuneration distributed to directors. In order to assess the sufficient linkage between remuneration to directors and operating performance, in accordance with the "Performance Appraisal of the Board of Directors" and the "remuneration system of directors," the Company regularly conducts performance appraisals on the performance of directors and the reasonableness of their remuneration, both of which were effective after approval by the compensation committee and the board of directors. The issues to be assessed for individual directors are as follows:

- (a) Understand the objectives and missions of the Company
- (b) Understanding of directors' job responsibilities
- (c) Participation in the operation of the company
- (d) Internal relationship management and communication
- (e) Professionalism and continuous education of directors
- (f) Internal control

- B. The Remuneration Committee organizational charter formulates the standards for various remuneration items, including monthly salary, bonuses for three main national festivals, employee remuneration, severance payment, etc., in the "Managerial Officer Salary and Remuneration Measures". To reward employees for their hard work, the related remuneration is determined based on annual business performance, financial position, operating status and personal work performance. If the Company is profitable for the year, 3% of the profit is allocated as employee remuneration in accordance with Article 25 of the Company's Articles of Incorporation. The distribution of managerial officers' remuneration is handled in the same manner as general employees based on the weighted average of their annual contribution, seniority, and the total number of employees. The results of the performance appraisal conducted by the Company in accordance with the "Procedures for Performance Appraisal" serve as the reference for bonuses. The performance appraisal items for managerial officers are divided into: 1. Financial indicators: Distribution of bonuses is based on the contribution of each business group to the Company's profit in the Company's management income statement, with reference to the target achievement ratio of the managerial officers. 2. Non-financial indicators: Remuneration for business performance is calculated based on the Company's practice of core values, operational management capabilities, and participation in sustainable operations. The Company reviews the remuneration system in a timely manner in accordance with the Company's actual operating conditions and relevant laws and regulations.
- C. In accordance with the organizational charter of the Remuneration Committee, the Company's remuneration packages comprise of cash remuneration, annual bonus, retirement benefits or severance pay, various allowances, and other measures with substantial incentives. The scope is consistent with provisions governing remuneration to directors and managerial officers stipulated in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

2. Procedures for determining remuneration:

- A. In order to regularly evaluate the salaries and remunerations to directors and managerial officers, the Company shall utilize the results of evaluations conducted in accordance with "Performance Appraisal of the Board of Director" and the "Employee Performance Appraisal Measures" applicable to managerial officers and employees. In addition, the establishment of the appraisal indicators linking the remuneration to Chairman and President, as well as the Company's operating performance, shall be submitted to the board of directors for approval. In order to fully demonstrate the achievement of business performance indicators, the Chairman's performance is measured based on the Company's annual operating indicators related to the operation, governance and financial results, and its scope shall cover 4 indicators, including pre-tax net profit, credit rating, customer satisfaction, and corporate governance evaluation. The scope of performance appraisal for the President includes operational safety management, supervision of the execution of financial plans, revenue management, promotion of autonomous maintenance capabilities, enhancement of internal control, implementation of quality assurance and management, and other performance targets related to major duties.
- B. In 2023, the results of the self-evaluation on the performance of the Board of Directors, the board members, and members of each functional committee all significantly surpassed the standards. Despite the raging epidemic, the Company spared no effort in epidemic prevention, deployed well in advance, implemented expenditure reduction measures, and achieved profits higher than expected. Furthermore, the performance evaluation of the Company's managerial officers in 2023 indicated that each managerial officer met or exceeded the pre-set targets. Additionally, the Company's annual business indicators also reached the highest standards.
- C. The performance evaluation and reasonableness of the remuneration to the Company's directors and managerial officers are regularly

evaluated and reviewed by the Remuneration Committee and the Board of Directors every year. In addition to individual performance achievement rates and their contributions to the Company, the Company also takes into account its overall operating performance, future risks for the industry, and development trends. Furthermore, the Company reviews the remuneration system in a timely manner in accordance with its actual operating conditions and relevant laws and regulations. Reasonable remunerations shall be paid out after giving comprehensive considerations to the current corporate governance trends to seek a balance between the Company's sustainable operation and risk control. The actual amount of remuneration to directors and managerial officers paid in 2023 is reviewed by the remuneration committee and then submitted to the board of directors for approval.

3. Interrelations with business performance and future risks:

- A. In reviewing the payment criteria and system pertaining to the Company's remuneration policy, the overall operation of the Company is considered paramount. Payment criteria are determined based on performance achievement rates and contributions aimed at enhancing the overall organizational efficiency of the Board of Directors and management departments. In addition, reference is made to the remuneration standards adopted by industry peers to ensure that the remuneration of the Company's management is competitive in the industry, in order to retain outstanding management talents.
- B. All performance targets of the Company's managerial officers are connected to "risk control" to ensure that possible risks within the scope of duties can be managed and prevented. These targets are also linked to the relevant policies governing human resources and remuneration, based on the actual results of their performance appraisal ratings. The key decisions are made by the Company's management after a balanced consideration of various risk factors. The performance of the relevant decisions reflects in the Company's profitability, thereby connecting the management's compensation to their performance of risk control.

IV. Implementation of corporate governance

(I) Operation of the board of directors

In 2023 and up to the date of the publication of the annual report, the 23rd session has met 6 times, and the attendance of directors is shown below:

Title	Name	Actual Attendance in Person	Attendance by Substitution	Percentage of Actual Attendance (%)	Remark
Chairman	Lan-Ying Hsu	6	—	100%	None
Vice Chairman	Representative of Yuan Hsin Investment Co., Ltd.: Vincent Lin	6	—	100%	None
Director	Representative of Taiwan Secom Co., Ltd.: Yu-Fang Lin	6	—	100%	None
Director	Sheng-Hung Wang	6	—	100%	None
Director	Hongxiu Investment Co., Ltd.: Hsiu-Liang Lin	5	1	83%	None
Director	Representative of Chang-Ming Development Co., Ltd.: Shih-Tsung Chang	6	—	100%	None
Director	Representative of Cheng Hsin Investment Co., Ltd.: Frank Lin	6	—	100%	None
Director	Representative of Shang Jing Investment: Hong-Jun Lin	6	—	100%	None
Independent Director	Wen-Che Tseng	6	—	100%	None
Independent Director	Tai-Jen Chen	6	—	100%	None
Independent Director	Yin-Wen Chan	5	1	83%	None
Independent Director	Chi-Te Hung	6	—	100%	None

Other issues to be recorded:

1. The date, session, proposal content, and resolution specified and the opinion expressed by independent directors shall be specified under any one of the following circumstances in the operation of the board:

- (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, and Article 14-3 of the Securities and Exchange Act does not apply. Please refer to the information on the operation of the Audit Committee in this year's annual report.
- (2) Other BOD resolutions to which objections or qualified opinions for the record or in writing are expressed by independent directors: None.

2. Recusal of directors for motions with which they have conflict of interest:

Date of the Meeting	Name of Director	Content of Motions	Reasons for recusal	Participation in voting
23rd session 4th meeting 2023/2/24	Lan-Ying Hsu Vincent Lin	Proposed to donate NT\$5 million to the Lin Teng Foundation	Directors having a conflict of interest	Did not participate in discussion and voting
23rd session 7th meeting 2023/11/10	Wen-Che Tseng Tai-Jen Chen Yin-Wen Chan Chi-Te Hung	Appointment of members to the Sustainable Development and Nomination Committee	Directors having a conflict of interest	Did not participate in discussion and voting
23rd session 7th meeting 2023/11/10	Lan-Ying Hsu Vincent Lin Frank Lin	Proposal for sale of the land and building of the Company's Taoyuan Plant to the related party, Leebao Security Co., Ltd.	Directors having a conflict of interest	Did not participate in discussion and voting

3. Execution of the performance appraisal of the board:

Evaluation cycle	Evaluation period	Scope of evaluation	Assessment methods	Assessment contents	Assessment results
Once a year	2023/1/1~2023/12/31	Board of directors as a whole	Self-evaluation of the board of directors	1. Participation in the operation of the company 2. Improvement of the quality of the board' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control	Overall average score was 5.00 (out of 5.00).
Once a year	2023/1/1~2023/12/31	Each individual director	Self-evaluation of board members	1. Understand the objectives and missions of the Company 2. Understanding of directors' job responsibilities 3. Participation in the operation of the company 4. Internal relationship management and communication 5. Professionalism and continuous education of directors 6. Internal control	Overall average score was 4.90 (out of 5.00)
Once a year	2023/1/1~2023/12/31	Audit Committee	Self-evaluation of committee	1. Participation in the operation of the company 2. Understanding of Audit Committee's job responsibilities 3. Improvement of the quality of the Audit Committee's decision making 4. Makeup of the functional committees and election of members 5. Internal control	Overall average score was 5.00 (out of 5.00).
Once a year	2023/1/1~2023/12/31	Compensation Committee	Self-evaluation of committee	1. Participation in the operation of the company 2. Understanding of Salary and Remuneration Committee's job responsibilities 3. Improvement of the quality of the Salary and Remuneration Committee' decision making 4. Makeup of the Compensation Committee and election of members	Overall average score was 5.00 (out of 5.00).

4. An evaluation of targets and performance for strengthening the functional competencies of the board during the current and the most recent years:

- (1) During the 2nd meeting of the 1st session of the Nomination Committee on February 25, 2022, the qualifications of the nominated directors (including independent directors) were reviewed in advance, and the list of recommended candidates was submitted to the board. The Company's Corporate Governance Principles were also amended.
- (2) The 23rd session of board was elected at the general shareholders' meeting in 2022. After re-election, the number of independent directors was increased from 3 to 4, further strengthening the supervisory function of the board.
- (3) In 2023, the Company engaged the "Taiwan Corporate Governance Association" to conduct the external performance evaluation of the Board of Directors. The evaluation report was completed on August 23, 2023 and submitted to the Board of Directors on November 10, 2023.
- (4) At the 7th meeting of the 23rd session of the Board of Directors held on November 10, 2023, it is resolved that the "Nomination Committee" be merged into the "Sustainable

Development and Nomination Committee," in order to actively promote and implement corporate social responsibilities and the concept of sustainable development, as well as enhance functions of the Company's functional committees.

- (5) The Company's Audit Committee conducts regular assessment of the independence and competence of certified public accountants and reports the assessment results to the board.

(II) Information regarding Audit Committee operation

In 2023 and up to the date of the publication of the annual report, the Audit Committee has met 6 times, and the attendance of independent directors is shown below:

Title	Name	Actual Attendance in Person	Attendance by Substitution	Percentage of Actual Attendance	Remarks
Independent Director (Convener)	Wen-Che Tseng	6	—	100%	None
Independent Director	Tai-Jen Chen	6	—	100%	None
Independent Director	Yin-Wen Chan	5	1	83%	None
Independent Director	Chi-Te Hung	6	—	100%	None

Other issues to be recorded:

- The date, session and proposal content of Audit Committee meetings, objection, qualified opinions and content of significant recommendations of independent directors, the Audit Committee's resolutions and the Company's handling of the Audit Committee's comments shall be specified under any one of the following circumstances.

(1) Matters specified in Article 14-5 of the Securities and Exchange Act:

Meeting Date and Session	Content of Motions	Any objection, expression of reservations or significant recommendations by independent directors	Results of the audit committee's resolution	Company's handling of audit committee's opinions
3rd session 3rd meeting 2023/2/24	2022 business report and financial statements 2022 annual profit distribution - Proposed to issue the 2022 Statement on Internal Control - The proposal for the Company's overseas subsidiary Goldsun International Development Corp. in the Cayman Islands to dispose of all shareholding of Goldsun (Changshu) Concrete Co., Ltd. - Proposed to purchase land - Proposed to amend provisions of the Internal Control System Measures and various control procedures - List of non-assurance services expected to be provided by Ernst & Young Taiwan and its affiliates from 2022 to 2025	None of the proposals are applicable to this scenario	All motions were unanimously approved by the attending committee members.	All motions were unanimously approved by the attending committee members; therefore, this requirement does not apply.
3rd session 4th meeting 2023/5/11	The Company's Q1 2023 consolidated financial reports.	None of the proposals are applicable to this scenario	All motions were unanimously approved by the attending committee members.	All motions were unanimously approved by the attending committee members; therefore, this requirement does not apply.
3rd session 5th meeting 2023/8/9	- The Company's Q2 2023 consolidated financial reports. - The proposal of the syndicated loans for the Nangang BR2 urban revitalization project.	None of the proposals are applicable to this scenario	All motions were unanimously approved by the attending committee members.	All motions were unanimously approved by the attending committee members; therefore, this requirement does not apply.

Meeting Date and Session	Content of Motions	Any objection, expression of reservations or significant recommendations by independent directors	Results of the audit committee's resolution	Company's handling of audit committee's opinions
3rd session 6th meeting 2023/11/10	1. The Company's Q3 2023 consolidated financial reports. 2. Assessment of the independence and competence of the Company's CPAs for 2023. 3. Proposal for construction of Hualien Hotel by Huaya Development Co., Ltd. 4. Proposal for the lease renewal of the Company's Keelung, Kaohsiung, and Fengshan plants, which are approaching expiration 5. Proposal for sale of the land and building of the Company's Taoyuan Plant to the related party, Leebao Security Co., Ltd.	None of the proposals are applicable to this scenario	All motions were unanimously approved by the attending committee members.	All motions were unanimously approved by the attending committee members; therefore, this requirement does not apply.
3rd session 7th meeting 2024/1/26	Proposal for sale of the land and buildings on such land located at No. 83, Dongguang Section, East District, Tainan City by the Company's subsidiary, Reixin Asset Management Inc.	None of the proposals are applicable to this scenario	All motions were unanimously approved by the attending committee members.	All motions were unanimously approved by the attending committee members; therefore, this requirement does not apply.
3rd session 8th meeting 2024/2/29	1. 2023 business report and financial statements 2. 2023 annual profit distribution 3. Proposed to issue the 2023 Statement on Internal Control	None of the proposals are applicable to this scenario	All motions were unanimously approved by the attending committee members.	All motions were unanimously approved by the attending committee members; therefore, this requirement does not apply.

(2) Except for the above mentioned matters, others which have not been passed by the Audit Committee but have been approved by more than two-thirds of all directors: None.

2. For the recusal of independent directors due to conflicts of interests, please describe the name of the independent director, the content of motion, the reason for recusal and the participation in voting: None.

3. Communication between independent directors and internal auditing managers and accountants (communicate materiality, methods and results of the Company's financial and business conditions).

Audit Committee Date	With internal audit supervisors Significant matters communicated with internal audit supervisors	Significant matters communicated with the CPAs Significant matters communicated with internal audit supervisors	Results of communication
3rd meeting of the 3rd session 2023/2/24	1. Internal audit report and communication for the period between November 2022 and January 2023 2. 2022 Statement on Internal Control	1. CPAs reported on 2022 financial reports and results of key audit matters. 2. CPAs raised questions and discussed and communicated with the participants in the meeting.	All the above matters were reviewed or approved by the Audit Committee, and the independent directors had no objection.
4th meeting of the 3rd session 2023/5/11	Internal audit report and communication for the period between February and April 2023	1. CPAs reported on Q1 2023 financial reports and results of key audit matters. 2. CPAs raised questions and discussed and communicated with the participants in the meeting.	All the above matters were reviewed or approved by the Audit Committee, and the independent directors had no objection.
5th meeting of the 3rd session 2023/8/9	Internal audit report and communication for the period between May and July 2023	1. CPAs reported on Q2 2023 financial reports and results of key audit matters. 2. CPAs raised questions and discussed and communicated with the participants in the meeting.	All the above matters were reviewed or approved by the Audit Committee, and the independent directors had no objection.
6th meeting of the 3rd session 2023/11/10	1. Internal audit report and communication for the period between August and October 2023 2. The 2024 annual audit plan	1. CPAs reported on Q3 2023 financial reports and results of key audit matters. 2. CPAs raised questions and discussed and communicated with the participants in the meeting.	All the above matters were reviewed or approved by the Audit Committee, and the independent directors had no objection.
8th meeting of the 3rd session 2024/2/29	1. Internal audit report and communication for the period between November 2023 and January 2024 2. 2023 Statement on Internal Control	1. CPAs reported on 2023 financial reports and results of key audit matters. 2. CPAs raised questions and discussed and communicated with the participants in the meeting.	All the above matters were reviewed or approved by the Audit Committee, and the independent directors had no objection.

(III) Status of corporate governance implementation and the difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
I. Does the Company follow "Corporate Governance Best Practice Principles" to establish and disclose its corporate governance practices?	✓		The Company established its Corporate Governance Principles, approved by the board on November 13, 2015. These Principles were subsequently updated and amended in accordance with announcements made by the Taiwan Stock Exchange. The results of these updates were disclosed on the Market Observation Post System and the Company's website.	No major differences
II. Shareholding structure and shareholders' equity				
(I) Does the Company have internal operating procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(I) The official website has "Investor Relations", "Contact Us" and other functions available for shareholders to raise questions and express opinions. The Company has established positions of spokesperson, acting spokesperson and dedicated shareholder services to handle shareholders' suggestions, concerns, disputes and litigation matters.	No major differences
(II) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		(II) The Company tracks the shareholding of directors, officers and principal shareholders who own more than 5% of shares based on the shareholder register provided by shareholder services agents.	No major differences
(III) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		(III) The Company has established relevant control measures in the internal control system and the Rules Governing Financial and Business Matters Between the Corporation and Its Related Parties in accordance with law and regulations.	No major differences
(IV) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓		(IV) The Company has established the Management Procedures for Prevention of Insider Trading, which specifies that the Company's directors, officers and employees, as well as those who learn of the Company's news due to their occupations or controlling relationships, are prohibited from engaging in any insider trading activities. Education and training sessions on the Procedures and relevant regulations have been held.	No major differences
III. Composition and responsibilities of the board of directors				
(I) Has the board established a diversification policy and specific management objectives, and have they been implemented accordingly?	✓		(I) The Company's Corporate Governance Principles has defined that the composition of the board should be diverse. In addition to limiting those who hold concurrent positions to no more than 1/3 of the total board seats, the operations, managing and development requirements take the diversification policy into consideration: For the implementation of the diversity policy for board members, please refer to Profile of Directors in the Company's annual report and the Company's website. In order to improve the overall knowledge of the highest governance body on economic, environmental and	No major differences

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(II) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other functional committees?	✓		(II) The Company's Board of Directors approved the establishment of the Nomination Committee on November 9, 2022. Additionally, in order to enhance functions of the Company's functional committees, as well as to actively promote and implement corporate social responsibilities and the concept of sustainable development, the Board of Directors resolved that the Nomination Committee be merged into the Sustainable Development and Nomination Committee on November 10, 2023.	No major differences
(III) Has the Company established its Board Performance Appraisal Measures and the evaluation methods, conducted the performance appraisal regularly every year and provided the results to the board as the reference for directors' remuneration and nomination and renewal?	✓		(III) The Company engaged the "Taiwan Corporate Governance Association" to conduct the external performance evaluation of the Board of Directors. The evaluation report was completed on August 23, 2023 and submitted to the Board of Directors on November 10, 2023. The Company has formulated the Board Performance Appraisal Measures, and internal performance appraisal should be conducted every year. The 2023 evaluation results of the board and functional committees have been reported to board meeting held on February 29, 2024. The performance appraisal of the Company's board of directors covers the following five major aspects: 1. Participation in the operation of the company. 2. Improvement of the quality of the board' decision making. 3. Composition and structure of the board of directors. 4. Election and continuing education of the directors. 5. Internal control. The performance appraisal of the board members should cover the following matters: 1. Understand the objectives and missions of the Company 2. Understanding of directors' job responsibilities. 3. Participation in the operation of the company. 4. Internal relationship management and communication. 5. Professionalism and continuous education of directors. 6. Internal control. The performance appraisal of the functional committees should cover the following matters: 1. Participation in the operation of the company. 2. Understanding of functional committee's job responsibilities.	No major differences

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		3. Improvement of the quality of the functional committee' decision making. 4. Makeup of the functional committees and election of members. 5. Internal control. The evaluation is conducted by the Division of Corporate Governance through the use of internal questionnaires. The results of this performance evaluation will serve as a basis for the selection or nomination of directors. The evaluation scores range between 4 and 5. Overall, the board of directors and other functional committees operate quite satisfactorily as a whole, meeting corporate governance requirements, and effectively strengthening the functions of the board of directors to firmly safeguard shareholders' rights and interests. (IV) The Company evaluates the independence and competence of certified public accountants at least once a year. The board meeting held on November 10, 2023 approved the assessment of the independence and competence of CPAs. The CPAs (Cindy Wang and Julia Liu) have presented their "Statement on Independence." The Company evaluated the independence and competence of the CPAs using the Audit Quality Indicators (AQI) as a reference and found no issues that might affect their independence and competence. The results of this evaluation were announced on the Company's website.	No major differences
IV. Has the Company allocated a sufficient number of qualified personnel and appointed managers in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors to comply with laws, handling matters relating to board meetings and shareholders' meetings according to laws, recording minutes of board meetings and shareholders meetings, etc.)?	✓		The board solution made at the board meeting held on February 25, 2022 appointed Jie-Tang Chang of the Division of Corporate Governance as the Company's corporate governance officer. He has been in a managerial position responsible for the shareholder services, corporate governance and other related functions of a publicly traded company for more than 3 years, and has the following responsibilities: 1. Handle issues related to the board meetings and shareholder meetings in accordance with the regulations. 2. Produce meeting records and minutes of the board and shareholders' meetings. 3. Assistance offered for inauguration and continuing education of directors. 4. Prepare directors with the information needed for carrying out their tasks and help directors comply with the regulations. 5. Other matters stipulated in accordance with the Company's Articles of Incorporation. The corporate governance officer has performed the abovementioned duties and completed his 12 hours of continuing education courses in 2023.	No major differences

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
V. Has the Company established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	✓		(I) The Company communicates with its stakeholders through the following channels: 1. Shareholders general meetings held in the second quarter every year. Motions are voted on a case-by-case basis. Shareholders can conduct electronic voting to fully participate in the voting for motions. 2. Annual report to shareholders is issued annually for investors' reference. 3. The revenue of the previous month is announced on the Market Observation Post System and the Company's website. 4. Quarterly reports are announced on the MOPS and the Company's website every quarter. 5. Labor and employer meetings are held every quarter to establish a bilateral communication channel. 6. Conduct supplier assessment every year, and conduct site visits of suppliers or mutual visits from time to time for joint efforts with suppliers on the improvement of corporate social responsibility. 7. After fulfilling customer service requests, the customer service center takes the initiative to contact customers to conduct a customer satisfaction survey. (II) In addition, the "Contact Us" section of the Company's website, at https://www.gdc.com.tw, offers service hotlines for investors, clients and suppliers to communicate with the Company. There are also communication channels available for filing employee grievances and a spokesperson system to appropriately respond to important sustainability matters of concern to stakeholders. Service Hotline: 0800-353-500 Customer service mail box, service@gdc.com.tw Employee suggestion box: suggestion@gdc.com.tw (III) On November 10, 2023, the Company reported the 2023 communication status of stakeholders at the board meeting, and disclosed the report in the corporate governance section of the Company's website.	No major differences
VI. Has the Company designated an agent specializing in the handling of stock affairs to handle shareholder meeting affairs?	✓		The Company has appointed Yuanta Securities to manage matters related to shareholders and shareholder general meetings.	No major differences
VII. Information disclosure				
(I) Has the Company established a public website to disclose operational, financial, and corporate governance information?	✓		(I) The Company has established a public website to disclose financial and corporate governance information.	No major differences
(II) Has the Company adopted other methods of information	✓		(II) 1. Designate personnel responsible for the collection and disclosure of the Company's	No major differences

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
disclosure (e.g., setting up an English website, designating a specialist responsible for gathering and disclosing Company information, setting up a spokesperson system, uploading recordings of investor conferences onto the Company website)?			information: The Company appoints designated personnel responsible for the collection and disclosure of information on a regular or irregular basis. 2. Implement the spokesperson protocols: Vice President James Chiu of the Division of Administration serves as the Company's spokesperson, and Assistant Vice President William Hsu of the Department of Accounting serves as the acting spokesperson. 3. The entire process of the investor press conference is available on the Company's website: The information on the 2023 investor press conference has been disclosed on the Company's website.	
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.	✓		(III) The Company has published and reported its annual financial report within two months of the completion of the fiscal year, and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.	No major differences
VIII. Does the Company have other important information to facilitate better understanding of the Company's corporate governance practices (including, but not limited to current status of employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training regimes, risk management policies, and risk measurement standards as well as the implementation of client policies and the Company's purchase of liability insurance for its directors and supervisors)?	✓		1. The Company offers a good employee welfare program to ensure the rights and interests of employees. Annual health examinations are available to each plant and the head office to promote the physical and mental health of employees. 2. Regularly hold labor and employer meetings to improve the relations and ensure employees' rights and interests. 3. Establish bonus policies for the performance appraisal of the Division of Management and each plant. 4. Establish capability evaluation protocols and measures for quality control and sales personnel in order to improve the quality control and sales work performance and enhance the concrete quality and service capabilities of the Company. 5. The progress of directors' continuing education is considered good. 6. The attendance of directors at board meetings is considered good. 7. The Company has designated units responsible for the risk management policies and measurement standards. 8. The Company has maintained smooth communication processes with its clients. 9. All directors comply with the regulations and recuse themselves from the discussion and voting of motions with which they are the interested persons.	No major differences

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			10. The Company has purchased liability insurance policies for directors.	
IX. Please explain improvements that have been made, as well as priority matters to improve, and the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center. Issues to be improved as priorities according to the 9th corporate governance evaluation conducted in 2022: - Are the chairman and the president or other equivalent position (managerial officer at the highest level) the same person, or spouses or first-degree relatives? Starting February 24, 2023, the chairman and the CEO are not the same person. - Does the Company's annual report disclose a specific and clear dividend policy? The board meeting on February 24, 2023 approved to formulate a specific and clear dividend policy.				

Note: The assessment items for the independence and competence of the CPAs are as follows:

Assessment Aspect	Issues to be Assessed	Assessment results	Independence
I. Independence	1. Have a direct or significant indirect financial interest relationship with the Company?	No	Yes
	2. Have financing or guarantee activities with the Company's directors?	No	Yes
	3. Have a close business relationship or a potential employment relationship with the Company?	No	Yes
	4. CPAs and members of the audit service team are currently serving or have served in the last two years as the Company's directors, supervisors or managers, or the positions that directly and significantly influence the audit?	No	Yes
	5. Provide the Company with non-audit services that may directly affect the audit work?	No	Yes
	6. Mediate the trading of stocks or other securities issued by the Company?	No	Yes
	7. Has acted as a counsel of the Company or represented the Company in coordinating matters relating to conflicts with a third party?	No	Yes
	8. Have a family relationship with the Company's directors, managers, or persons who have significant influence on the audit?	No	Yes

Assessment Aspect	Issues to be Assessed	Assessment results	Competence
II. Competence	1. Is the CPA firm in good standing?	Yes	Yes
	2. Is the CPA firm in good standing as evaluated by its peers?	Yes	Yes
	3. Are the CPAs free from involvement in any legal proceedings, correction cases, or investigations by competent authorities?	Yes	Yes
	4. Are the audit services provided by CPAs and key managerial personnel of good quality?	Yes	Yes
	5. Do CPAs undergo regular training and furnish the company with real-time professional information?	Yes	Yes

(IV) Composition, responsibilities and operations of the Salary and Remuneration Committee and the Nomination Committee:

(1) Information on members of the Salary and Remuneration Committee

February 29, 2024

Title	Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies for which the director concurrently serving as a salary and remuneration committee member
Independent Director (Convener)	Wen-Che Tseng	More than 5 years of commercial, financial, accounting or other work experiences required to perform the Company's operations.	There are no matters specified in Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" Over the Counter two years before being appointed and during the term of office.		3
Independent Director	Tai-Jen Chen	More than five years of work experience as a university professor in a relevant department required by the Company's operations.			2
Independent Director	Yin-Wen Chan	More than five years of work experience as a university professor in a relevant department required by the Company's operations.			0
Independent Director	Chi-Te Hung	At least 5 years of work experience required for performing duties.			0

(2) Operations of the Salary and Remuneration Committee

I. Operations of the Salary and Remuneration Committee

(I) The Salary and Remuneration Committee has 4 members (3 members in the 4th session, 4 members in the 5th session).

(II) The term of office of the current committee members: May 31, 2022 to May 30, 2025.

(III) Attendance: The Salary and Remuneration Committee held two meetings in 2023. All members attended the meetings in person, with an average attendance rate of 100%. The attendance of the members is as follows:

Title	Name	Actual Attendance in Person	Attendance by Substitution	Percentage of Actual Attendance	Remark
Independent Director (Convener)	Wen-Che Tseng	2	0	100%	
Independent Director	Tai-Jen Chen	2	0	100%	
Independent Director	Yin-Wen Chan	2	0	100%	
Independent Director	Chi-Te Hung	2	0	100%	

II. Responsibilities of the Salary and Remuneration Committee

The Salary and Remuneration Committee shall faithfully perform the following duties with attention as a good administrator and shall submit its recommendations to the board of directors for discussion.

- (I) Stipulate and regularly review the performance of the directors and managerial officers; as well as the compensation policies, systems, standards and structure.
- (II) Regularly evaluate and stipulate director and managerial officer compensation.

III. Information on meetings of the Salary and Remuneration Committee

The Salary and Remuneration Committee reviewed and assessed the salary and remuneration information for 2023 as follows:

Compensation Committee	Proposal Content and Follow-up Implementation	Resolutions	Company's handling of remuneration committee's opinions
February 24, 2023 2nd meeting of the 5th session	1. Deliberated on the directors' 2022 remuneration allocation percentage.	Unanimous vote by all remuneration committee members to approve the motion.	Submitted to the board for approval: Unanimous vote by all attending directors to approve the motion.
	2. Reviewed the remuneration system for the Company's directors (excluding independent directors) and managerial officers on a regular basis.		
	3. Reviewed the proposal regarding the remuneration of the Company's CEO.		
November 10, 2023 3rd meeting of the 5th session	Review of the Company's salary and remuneration system for managers (adjustments to job titles).	Unanimous vote by all remuneration committee members to approve the motion.	Submitted to the board for approval: Unanimous vote by all attending directors to approve the motion.

(3) Profiles of nomination committee members and the information on the operation of the committee

I. The committee consists of independent directors. In order to achieve the sustainable development of the Company and improve the performance of the board and the management, the nomination committee meets at least once a year and submits its recommendations to the board for discussion. The main responsibilities are as follows:

- (I) Specify the standards of professional knowledge, skills, experience, gender and independence required for board members and senior managers, and search, review and nominate candidates for directors and senior managers accordingly.
- (II) Construct and develop the organizational structure of the board and committees, conduct performance appraisal of the board, committees, directors and senior managers, and assess the independence of independent directors.
- (III) Formulate and regularly review the continuing education plan for directors and the succession plan for directors and senior managers.
- (IV) Establish the Company's Corporate Governance Best Practice Principles.

II. Professional qualifications and experience of nomination committee members and the information on the operation of the committee:

- (I) The nomination committee has 4 members.
- (II) The term of the 2nd session: from May 31, 2022 to May 30, 2025 (The Board of Directors resolved to merge the "Nomination Committee" into the "Sustainable Development and Nomination Committee" on November 10, 2023.) In 2023 and up to the date of the publication of the annual report in 2023, the Nomination Committee has met 2 times.

Title	Name	Professional qualifications and experience	Actual Attendance in Person	Attendance by Substitution	Percentage of Actual Attendance	Remarks
Independent Director (Convener)	Wen-Che Tseng	More than 5 years of commercial, financial, accounting or other work experiences required to perform the Company's operations	2	0	100%	None
Independent Director	Tai-Jen Chen	More than five years of work experience as a university professor in a relevant department required by the Company's operations	2	0	100%	None
Independent Director	Yin-Wen Chan	More than five years of work experience as a university professor in a relevant department required by the Company's operations	2	0	100%	None
Independent Director	Chi-Te Hung	At least 5 years of work experience required for performing duties	2	0	100%	None

Other issues to be recorded:

State the meeting date, session, and content of main motions of the nomination committee, the content of the recommendations or objections of the committee members, the results of resolutions, and the Company's handling of the opinions of the nomination committee.

Meeting Date and Session	Content of Motions	Recommendations or objections from the nomination committee members	Results of the Nomination Committee's resolution	Company's handling of Nomination Committee's opinions
2nd meeting of the 2nd session 2023/2/24	1. Proposed to appoint Mr. Chih-Jen Wu as the chief executive officer. 2. Proposed to formulate the 2023 continuing education plan for directors.	None of the proposals are applicable to this scenario	All motions were unanimously approved by the attending committee members and subsequently submitted to board of directors for resolution	All motions were unanimously approved by the attending committee members; therefore, this requirement does not apply
3rd meeting of the 2nd session 2023/11/10	Matters to be reported only, no matters for discussion	None	None	None

(4) Profiles of sustainable development and nomination committee members and the information on the operation of the committee

- I. In order to actively promote and implement corporate social responsibilities and the concept of sustainable development, as well as to enhance functions of the Company's functional committees, the Board of Directors resolved that the Nomination Committee be merged into the Sustainable Development and Nomination Committee on November 10, 2023. The Company's sustainable development and nomination committee consists of independent directors and meets at least once a year and submits its recommendations to the board for discussion. The main responsibilities are as follows:
 - (I) Establishment of the Company's sustainable development policy.
 - (II) Establishment of goals, strategies, and implementation plans for the Company's sustainable development, including sustainable governance, ethical corporate management, and environmental and social aspects.
 - (III) Review, follow up, and amend the implementation and effectiveness of the Company's sustainable development.
 - (IV) Pay attention to issues of concern to stakeholders, including shareholders, customers, suppliers, employees, governments, non-profit organizations, communities, and the media, and supervise the communication plan.
 - (V) Specify the standards of professional knowledge, skills, experience, gender and independence required for board members and senior managers, and search, review and nominate candidates for directors and senior managers accordingly.

- (VI) Construct and develop the organizational structure of the board and committees, conduct performance appraisal of the board, committees, directors and senior managers, and assess the independence of independent directors.
- (VII) Formulate and regularly review the continuing education plan for directors and the succession plan for directors and senior managers.

II. Professional qualifications and experience of sustainable development and nomination committee members and the information on the operation of the committee:

- (I) The sustainable development and nomination committee has 4 members.
- (II) The term of the 1st session: from November 10, 2023 to May 30, 2025. In 2023 and up to the date of the publication of the annual report in 2023, the Nomination Committee has met once.

Title	Name	Professional qualifications and experience	Actual Attendance in Person	Attendance by Substitution	Percentage of Actual Attendance	Remarks
Independent Director (Convener)	Wen-Che Tseng	More than 5 years of commercial, financial, accounting or other work experiences required to perform the Company's operations	1	0	100%	None
Independent Director	Tai-Jen Chen	More than five years of work experience as a university professor in a relevant department required by the Company's operations	1	0	100%	None
Independent Director	Yin-Wen Chan	More than five years of work experience as a university professor in a relevant department required by the Company's operations	1	0	100%	None
Independent Director	Chi-Te Hung	At least 5 years of work experience required for performing duties	1	0	100%	None

Other issues to be recorded:

State the meeting date, session, and content of main motions of the sustainable development and nomination committee, the content of the recommendations or objections of the committee members, the results of resolutions, and the Company's handling of the opinions of the sustainable development and nomination committee.

Meeting Date and Session	Content of Motions	Recommendations or objections from the sustainable development and nomination committee members	Results of the Sustainable Development and Nomination Committee's resolution	Company's handling of sustainable development and nomination committee's opinions
1st session 1st meeting 2024/2/29	Proposed to formulate the 2024 continuing education plan for directors	None of the proposals are applicable to this scenario	All motions were unanimously approved by the attending committee members and subsequently submitted to board of directors for resolution	All motions were unanimously approved by the attending committee members; therefore, this requirement does not apply

(V) Status of promotion of sustainable development and its difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or one holding concurrent positions) unit to promote sustainable development, with the board authorizing the senior management to manage the organization which is supervised by the board?	✓		1. In 2023, the Company established the "Sustainable Development and Nomination Committee" as the highest decision-making center for sustainable development within the Company. Independent directors serve as the convener and work with the committee members to formulate, review, and track the Company's sustainable development policies. 2. The "ESG sustainability promotion team" was established under the committee, with the Chairman of the board serving as the chairperson. Regular operation summits covering environmental, social and corporate governance issues related to the Company's operations are held to formulate corresponding strategies and work policies, compile budgets for various organizations and sustainability programs, plan and implement the annual strategy, and at the same time track the implementation results to ensure that the sustainable development strategy is fully implemented in the Company's daily operations. Regularly report the implementation status to the Board of Directors on an annual basis. 3. The Company has compiled the implementation results of sustainability issues and presented them to the board meeting held on November 10, 2023.	No major differences
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies and strategies?	✓		1. In order to improve the Company's risk management practices, strengthen the effectiveness of corporate governance, ensure the integrity, effectiveness and rationality of risk management, and effectively assess and supervise the Company's risk bearing capacity, risk response strategies and compliance with risk management procedures, the board approved the Risk Management Policies and Procedures on November 4, 2022. 2. The Company has actively promoted the implementation of the risk management practices, and reports its operations to the board once a year. The latest report has been compiled and presented to the board meeting held on November 10, 2023.	No major differences
III. Environmental issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		(I) 1. The Company is committed to environmental protection, and has continued to prepare budgets to update or increase pollution prevention and control equipment to comply with current environmental regulations. Through equipment improvement, adjustment of production modes and resource recycling, the impact on the environment is minimized. 2. The Company's headquarters, branches, and all plant areas conduct annual greenhouse gas inventories in accordance with ISO 14064-1 and pass third-party verification. The	No major differences

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	✓		Company continuously tracks carbon reduction results and publicly discloses it in the sustainability report. 3. At the same time, the Company continuously introduces the ISO 14067 standard to various products to establish product carbon footprint traceability information and build a carbon footprint database. In 2023, the Company obtained carbon footprint verifications for 8 concrete products and the Carbon Label from the Ministry of Environment. The latest certificate is valid from February 23, 2024 to February 22, 2029. (II) 1. The Company actively promotes various energy reduction measures and continues to replace equipment with energy-saving production ones to optimize the efficiency of energy use. Besides incorporating the use of the latest eco-certified ready-mix concrete trucks into the operations, Goldsun Express and Logistics uses a smart GPS dispatching system, in combination with a logistics management platform, to improve the loading efficiency and reduce waiting time, further reducing the greenhouse gas emissions. 2. In consideration of sustainability and product competitiveness, the Company actively develops industrial by-products, reuse of alternatives, carbon capture and storage and other technologies to be used in the ready-mix cement, so that the reliance on natural resources can be reduced, while achieving the reduction of energy consumption. These measures can elaborate on the positive effects of concrete materials and reduce the negative impact on the environment.	No major differences
(III) Has the Company assessed the current and future potential risks and opportunities from climate changes and taken contingency measures to address relevant issues?	✓		(III) 1. The Chairman of the Board serves as the chairperson of the Company's Sustainable Development and Nomination Committee and convenes relevant units to discuss various issues' potential internal and external impacts on the organization. These discussions include identifying and assessing climate change risks and proposing improvement suggestions and measures in response to impacts of climate, in order to adapt to climate-related financial risks while exploring corresponding financial opportunities. Additionally, the Division of Corporate Governance annually reports to the Board of Directors on ESG performance and determines short-, medium-, and long-term goals, including climate change-related issues. 2. The Company introduces the TCFD	No major differences

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons												
	Yes	No	Summary description													
(IV) Has the Company compiled the greenhouse gas emissions, water consumption and total weight of waste the past two years and established management policies for reduction of greenhouse gas emission, water consumption and other wastes?	✓		Recommendation published by the International Financial Stability Board and regularly reviews the risks and opportunities of climate change to the Company. In 2022, we completed the assessment of climate risks, including tightening of energy-saving product standards and environmental regulations, rising transition costs for low-carbon technologies, replacement of existing products and services with low-carbon products, extreme climate events, and increase in annual mean temperature. We also identified feasible opportunities and formulated corresponding policies and preventive actions, such as improving resource efficiency, using low-carbon energy, and developing low-carbon products and services. 3. For the analysis of the Company’s climate change risks and opportunities, please refer to the section of environmental sustainability in the sustainability report. (IV) 1. In accordance with ISO 14064-1, the Company has completed 2023 greenhouse gas Scope 1 (Category 1) and Scope 2 (Category 2) inventory and third-party verification, covering the Operation Headquarters, all 29 plants, and Tainan Branch. Quantity of greenhouse gas emissions in the past 2 years: Unit: (kgCO₂ e/m³) <table><tr><th>Year</th><th>Scope 1 tonCO₂e</th><th>Scope 2 tonCO₂e</th><th>Emission per unit of product</th></tr><tr><td>2022</td><td>11,602.26</td><td>9,699.04</td><td>3.36</td></tr><tr><td>2023</td><td>10,156.22</td><td>9,094.43</td><td>3.21</td></tr></table> In 2023, the concrete greenhouse gas emission amounted to 3.21kgCO₂e/m³. Of this total, 53% were Scope 1 emissions, stemming from transportation vehicle fuel emissions, while 47% were Scope 2 emissions from purchased electricity used in the production process. The Company's carbon management goal is to reduce emissions from all plants and offices by 30% from 2022 levels by 2030, with the ultimate aim of achieving carbon neutrality by 2050. The Group will achieve its carbon management progress through the four steps of "inventory," "reduction," "offset," and "carbon neutrality."We also formulated eight strategies for carbon competitive advantages and set short, medium and long-term goals of gradually achieving net-zero carbon emissions by	Year	Scope 1 tonCO ₂ e	Scope 2 tonCO ₂ e	Emission per unit of product	2022	11,602.26	9,699.04	3.36	2023	10,156.22	9,094.43	3.21	No major differences
Year	Scope 1 tonCO ₂ e	Scope 2 tonCO ₂ e	Emission per unit of product													
2022	11,602.26	9,699.04	3.36													
2023	10,156.22	9,094.43	3.21													

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons									
	Yes	No	Summary description										
			2050. Eight strategies for carbon competitive advantages: Strategy 1. Deepen green operation and firmly realize the goal of carbon neutrality. Strategy 2. Initiate green design and develop diversified technologies for carbon reduction. Strategy 3. Obtain international certifications and demonstrate leadership in green innovation. Strategy 4. Build green resource pool and lead the low-carbon transformation of the supply chain. Strategy 5. Promote national-level TAF-accredited laboratories to inject new profit momentum into the industry. Strategy 6. Introduce AI automation technology to promote the low-carbon and sustainable advantages of the factory. Strategy 7. Promote regenerated concrete and initiate a new era of circular economy. Strategy 8. Guide the Group's green transformation and fully implement carbon deployment. 2. As for ensuring water and sanitation available for all and measures of sustainable management, the Company is committed to related measures that reduce water usage, consumption, and drainage. "In daily water usage, the Company regulates the flow rate of sink water valves, enhances water leakage inspections, and displays water conservation signs. In terms of factory premises, a mixing tank for sewage treatment has been installed. The goal is to recycle all the wastewater generated from the operational process and reuse it for production process and cleaning of the interior of vehicle barrels, thereby achieving the effect of a circular economy. In 2023, the wastewater recycling rates for the Xizhi Plant, Taichung Plant, and Tainan Plant were all 100%. Water consumption in the past 2 years: <table><tr><th>Year</th><th>Total water consumption (ton)</th><th>Water consumption per unit of product during the production process (ton/m³)</th></tr><tr><td>2022</td><td>176,970</td><td>0.1783</td></tr><tr><td>2023</td><td>183,439</td><td>0.1772</td></tr></table>	Year	Total water consumption (ton)	Water consumption per unit of product during the production process (ton/m ³)	2022	176,970	0.1783	2023	183,439	0.1772	
Year	Total water consumption (ton)	Water consumption per unit of product during the production process (ton/m ³)											
2022	176,970	0.1783											
2023	183,439	0.1772											

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons									
	Yes	No	Summary description										
			Note: The scope of water consumption disclosure includes the Head Office, Xizhi Plant, Taichung Plant, and Tainan Plant. 3. The waste generated from the ready-mixed concrete production process is mainly defective goods, factory mix waste, or trial mix waste. Adhering to the "Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste," the Company prioritizes the reuse for treatment. Sand and gravel classifiers are installed at each plant to decompose the process waste out of sand and gravel for recycling and reuse into the production process. This classifier can also remake the wastes into cubes for the walls of parking lots or storage yard for sand and gravel or powder, in order to achieve the target of zero waste in the production process. In 2023, all manufacturing process wastes of the Company were non-hazardous, totaling 27,175tons disposed of. ■ Weight of waste in the past 2 years: <table><tr><th>Year</th><th>Hazardous waste (ton)</th><th>Non-hazardous waste (ton)</th></tr><tr><td>2022</td><td>0</td><td>18,446</td></tr><tr><td>2023</td><td>0</td><td>27,175</td></tr></table> Note: The disclosure of the total weight of waste applies to all factory areas. 4. For specific data on the Company’s implementation, please refer to the section of environmental sustainability in the sustainability report.	Year	Hazardous waste (ton)	Non-hazardous waste (ton)	2022	0	18,446	2023	0	27,175	
Year	Hazardous waste (ton)	Non-hazardous waste (ton)											
2022	0	18,446											
2023	0	27,175											
IV. Social Issues (I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		(I) 1. The Company complies with the Labor Standards Act, Act of Gender Equality in Employment and other relevant labor laws and regulations in its hiring of employees, and has established its Work Rules and the Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace to protect labor rights and equality in gender and employment rights. 2. The Company supports and actively complies with internationally recognized conventions, including the United Nations Guiding Principles on Business and Human Rights and the standards of the International Labour Organization Conventions, and develops the in-house Human Rights Policy to be promoted in all locations where the Company operates and to respect the protection stipulated in the Human Rights Convention.	No major differences									

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons								
	Yes	No	Summary description									
			The Company's human rights management policies and specific plans have been published on the Company's website. In the future, we will continue to pay attention to human rights protection issues and promote relevant education and training to improve human rights protection awareness and reduce the related potential risks. Summary of human rights management policies and specific solutions: <table><tr><th>Human rights policy</th><th>Specific solutions</th></tr><tr><td>Provide a safe and healthy work environment</td><td> ❶ Provide disinfectant alcohol and regularly disinfect the workplace. ❷ Establish and implement self-inspection of the plant area and manufacturing equipment in accordance with laws, and set up checkpoints before, during, and after each process to ensure that the equipment, sites and procedures are safe. ❸ First-aid kits are available for preliminary treatment of those with minor injuries. ❹ Automated external defibrillators (AED) are available. ❺ The "Occupational Safety and Health Education and Training" was implemented on a regular basis, with training hours reaching 2,517 in 2023. ❻ All statutory operation or management personnel undergo training, and only individuals who have completed the training and received certificates are eligible to perform these duties. ❼ Appropriate protective gear is provided to maintain operational safety. ❽ Fire-fighting facilities are tested on a regular basis. </td></tr><tr><td>Help employees maintain physical and mental health and work-life balance.</td><td> ❶ Conduct regular physical examination. ❷ Set up health care stations to measure blood pressure and analyze abnormal heart rhythm variability. ❸ Provide a fully equipped breastfeeding room. ❹ Professional medical consulting services are provided regularly twice a month. ❺ Health seminars or forums are held once a quarter by professional physicians. ❻ Provide a variety of sports equipment and courses for physical exercise. ❼ Offer domestic and foreign employees tours, travel subsidies and discounts on business hotel accommodations in Taiwan. ❽ Offer reimbursed birthday meals for employees to celebrate their birthdays with family and friends. ❹ A moment of relaxation, providing coffee machines and various beverages such as coffee and milk tea. </td></tr><tr><td>Forced labor is prohibited.</td><td> ❶ Implement a leave system and encourage employees to take leave. ❷ Employees have the legitimate right to refuse </td></tr></table>	Human rights policy	Specific solutions	Provide a safe and healthy work environment	❶ Provide disinfectant alcohol and regularly disinfect the workplace. ❷ Establish and implement self-inspection of the plant area and manufacturing equipment in accordance with laws, and set up checkpoints before, during, and after each process to ensure that the equipment, sites and procedures are safe. ❸ First-aid kits are available for preliminary treatment of those with minor injuries. ❹ Automated external defibrillators (AED) are available. ❺ The "Occupational Safety and Health Education and Training" was implemented on a regular basis, with training hours reaching 2,517 in 2023. ❻ All statutory operation or management personnel undergo training, and only individuals who have completed the training and received certificates are eligible to perform these duties. ❼ Appropriate protective gear is provided to maintain operational safety. ❽ Fire-fighting facilities are tested on a regular basis.	Help employees maintain physical and mental health and work-life balance.	❶ Conduct regular physical examination. ❷ Set up health care stations to measure blood pressure and analyze abnormal heart rhythm variability. ❸ Provide a fully equipped breastfeeding room. ❹ Professional medical consulting services are provided regularly twice a month. ❺ Health seminars or forums are held once a quarter by professional physicians. ❻ Provide a variety of sports equipment and courses for physical exercise. ❼ Offer domestic and foreign employees tours, travel subsidies and discounts on business hotel accommodations in Taiwan. ❽ Offer reimbursed birthday meals for employees to celebrate their birthdays with family and friends. ❹ A moment of relaxation, providing coffee machines and various beverages such as coffee and milk tea.	Forced labor is prohibited.	❶ Implement a leave system and encourage employees to take leave. ❷ Employees have the legitimate right to refuse	
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Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			working beyond their normal hours, and the company cannot compel them to do so.	
			Employment of child labor is prohibited.	
			Eliminate illegal discrimination and ensure equality in the workplace.	
			❶ The Guidelines for Recruitment and Appointment expressly state that we do not have discrimination based on gender, race, religion, or physical and mental disabilities. ❷ The Company's employment of people with disabilities has met the statutory standard. ❸ There is no gap in employee salary due to gender. ❹ Promote employee-employer collaboration and respect the freedom of assembly and association of employees. ❺ The "Employee Suggestion Box" has been established to facilitate the exchange of diverse opinions among employees, with dedicated personnel assigned to respond to submissions. In 2023, the Company arranged 4,513 hours of education and training related to human rights protection for 2,680 participants. Additionally, the Company announced human rights protection-related promotional materials on an ad-hoc basis through the Company's bulletin board.	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits) and appropriately reflected the business performance or results in the employee remuneration policy?	✓		(II) 1. Overall remuneration policy: There are fixed and variable payments for employee remuneration: Fixed remuneration is paid monthly, and it is based on the standard of price index, other industry peers and the labor market statistics, and adjusted in consideration of position, nature of the job, professional ability, supply-demand in the job market. Variable remuneration refers to year-end bonuses, compensation and performance bonuses. According to the Company's Articles of Incorporation, if there is profit, 3% of the profit is allocated as employee remuneration first, and then distributed to everyone depending on the tenure of service and the results of annual performance appraisal, so as to encourage all employees to work together to achieve the Company's goals. 2. Operating performance is reflected in employee remuneration: The Company participates in salary market surveys every year, and adjusts salaries according to market levels, economic	No major differences

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			trends and personal performance. We establish a transparent salary system, Performance Bonus Measures and Performance Appraisal Practices, so that employees can be more aware of the presentation of their performance and future career development. We also adopt a variable compensation practice to make part of the remuneration linked with performance to maintain the competitiveness of the overall salary standard. In 2023, the average annual salary increase for supervisors and non-supervisors of the Company was 4.4%. 3. Employee benefit measures: The Company is committed to creating a happy, harmonious and friendly work environment. We have built a comprehensive welfare system, which maintains emotional communication among employees and labor-management relations, and develops employees' cohesion. The Company has established an employee welfare committee in accordance with the Employee Welfare Fund Act, and allocates welfare funds and provides various welfare measures and activities to take care of the lives of employees and promote their physical and mental health. The welfare measures include bonuses for Dragon Boat, Mid-Autumn and Spring Festivals, birthday and Labor Day; subsidies for wedding, senior citizens and continuing education; hospitalization or funeral condolence; scholarships for children; birthday parties, year-end banquet and employees' domestic or overseas trips or sponsorship for employee tours and others. 4. Workplace diversity and equality: We actively promote employee diversity and equal opportunities, which enable us to access to more and more diverse potential outstanding talents, and also produce significant benefits for sustainable operations. (1) We hire people based on their capability, and we do not have discrimination based on gender, race, religion, or physical and mental disabilities. Our employment of people with disabilities has met the statutory standard. (2) There is no gap in employee salary due to gender. (3) We apply a consistent standard for the promotion and training of all employees. (4) Promote employee-employer	

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(III) Has the Company provided employees with a safe and healthy working environment and regularly conducted safety and health training?	✓		collaboration and respect the freedom of assembly and association of employees. In 2023, female employees accounted for 20% of the total workforce, and female executives accounted for 13% of senior executives. (III) We have established the Occupational Safety and Health Department to oversee labor safety and health related matters of the entire company. We continuously conduct safety and health education and training for employees, and strengthen the management and promotion of education and training of the work environment, equipment and hazardous substances related to employees to ensure their safety and health at work. (1) Regularly carry out safety and health education and training for new hires and current employees every year. (2) Sign an on-site health service contract with Show Chwan Memorial Hospital to provide health consultation, health examination reports with health management and health monitoring of individual cases. (3) Provide promotional materials on health-related education on the bulletin board every month, and hold health promotion seminars conducted by doctors every quarter. Leeway Biomedical is entrusted with conducting environmental testing for carbon dioxide and illuminance every six months, and ACUO conducts drinking water quality testing every quarter to ensure a safe and sound work environment for employees.	No major differences
(IV) Has the Company established an effective career development training program for employees?	✓		(IV) Goldsun regards employees as important assets and business partners. In order to enable employees to develop professional knowledge and skills, the Company has planned five major education and training systems, which offer comprehensive education and training programs and form a complete system with the professional knowledge sources both inside and outside the organization. A management platform is provided to employees to acquire and share the information in an efficient manner, which will promote employees' professional capacity and improve Goldsun's overall core competitiveness. The Company offers complete professional and management training for managers of all levels and employees, and helps them develop core skills. During the annual performance interview, supervisors can discuss with their subordinate personnel and set up a personal annual	No major differences

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(V) Has the Company complied with the relevant regulations and international standards and formulated policies for protection of consumers and clients' rights and interests and grievance procedures with respect to consumer health and safety, customer privacy, marketing and labeling of products and services?	✓		capability development plan. Through regular inspection and feedback, the approach can to assist employees to build the best development plan. In 2023, the Company provided career training to 677 participants, totaling 3,817 hours. The status of implementation has been announced on the Company's website. (V) 1. The Company has passed various technical requirements for ready-mix concrete in the CNS national standards. In 2003, the Company's products were given "Excellent" labels as awarded by the Good Ready-Mixed Concrete (GRMC) system. The Company's plants have integrated the ISO 9001 quality management system certification. In September 2015, the Company obtained the ISO 9001 quality management system certification for sand and gravel, verifying such manufacturing processes are in compliance with the requirements of the ISO 9001 certification. 2. The Company established the "Information Security Management Division" as the dedicated unit for information security and information risk management. According to the ISO/IEC 27001 information security management framework, the Company completed the establishment of the Information Security Management System (ISMS) Additionally, in 2023, the Company passed a third-party verification and received ISO 27001 information security certification, ensuring proper protection of confidential operational information and personal data. 3. The Company has provided online customer service mailboxes, customer service systems and hotlines on the official homepage to ensure the rights and interests of customers. Our customer service center also conducts field visits of clients' sites to protect consumer rights and interests.	No major differences
(VI) Has the Company established supplier management policies which require suppliers to comply with regulations on environmental protection, occupational safety and health or labor rights, and reported the implementation?	✓		(VI) 1. We have formulated the "Standards on Joint Efforts with Suppliers to Fulfill Corporate Social Responsibility" to highlight the issues of environmental protection, and exerted its influence to encourage vendors in the supply chain to work with the Company in efforts protecting the environment. 2. In order to ensure quality and a stable supply of products and raw materials, we have established an external supply chain process. Products from suppliers must meet the CNS standards. The establishment and operations of suppliers shall not violate laws. Suppliers	No major differences

Promotion Items	Implementation			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			are only listed as our approved suppliers if their technologies, prices and transportation satisfy the selection criteria and pass the on-site and samples evaluation. Monthly audits are conducted with respect to the stability in supply and raw materials quality to determine their grades and the subsequent purchase methods.	
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainability reports and other reports which disclose the Company's non-financial information? Have the abovementioned reports obtained the verification or assurance opinions from third-party certification organizations?	✓		Our 2022 sustainability report was certified by a third-party verification unit, the British Standards Institution (BSI), which ensured that the content met the standard of the GRI and AA1000. They have issued an independent assurance statement to accompany the report.	No major differences.
VI. If the Company has established its own sustainability principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation in the Company: The board resolved to approve the developed "Corporate Social Responsibility Best Practice Principles" on November 13, 2015, and the board resolution made on February 25, 2022 approved the amendment to rename it the Sustainable Development Best Practice Principles. The actual operations have no significant differences from the established Principles.				
VII. Other important information for facilitating the understanding of sustainability and its implementation: The Company's sustainability report is disclosed on the corporate website and the MOPS.				

(VI) Status of the Company's practice of ethical management and differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies:

Assessment Items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
I. Establish corporate conduct and ethics policy and implementation measures				
(I) Does the company establish ethical management policies approved by the board and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?	✓		(I) The Company has formulated the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Operations Management and Guidelines for Conduct". The Division of Corporate Governance is responsible for helping the board and the management team in the development and supervision of ethical operations policies and regulations, which have been incorporated into the follow-up items for internal control protocols, and reports to the board on a quarterly basis.	No major differences
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis those business activities which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	✓		(II) The "Procedures for Ethical Operations Management and Guidelines for Conduct" specifies procedures, conduct guidelines, penalties for violations and grievances filing procedures to realize ethical operations and prevent any unethical behaviors.	No major differences
(III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and grievance process in the program preventing unethical conduct and put them in practice, and regularly reviewed and amended the program?	✓		(III) The "Procedures for Ethical Operations Management and Guidelines for Conduct" has defined standards prohibiting directors, managers and employees from engaging in business activities with high risk of unethical behaviors specified in the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies or other scopes of business.	No major differences
II. Practice ethical operations				
(I) Does the company assess the ethics records of whom it has business relationships with and include business conduct and ethics related clauses in the business contracts?	✓		(I) Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract.	No major differences
(II) Has the Company established a specialized unit under the board	✓		(II) The Division of Corporate Governance is responsible for the development and	No major differences

Assessment Items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?			supervision of ethical operations policies and regulations, and regularly reports implementation to the board every year.	
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(III) The Company has established the "Procedures for Ethical Operations Management and Guidelines for Conduct," and clearly defined policies on conflict of interest and provided appropriate channels for filing grievances.	No major differences
(IV) Has the Company established an effective accounting and internal control system to put ethical operations management into practice and arranged for the internal audit unit to formulate audit plans based on the risk assessment of unethical conduct and audit the compliance to prevent unethical conduct, or commissioned independent auditors to conduct the audit?	✓		(IV) Internal auditors regularly check the compliance with the accounting systems and internal control protocols. Accountants also review the implementation of the internal control protocols every year.	No major differences
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		(V) 1. Promotion of regulatory compliance: The Company compiles ethical operations guidelines and standards for handling important internal information centering on the topic of "Practice ethical operations," and advocates to employees in meetings or internal announcements on issues to which they should pay attention when performing their duties. All new employees were provided with courses on company philosophy, short films on ethics, and promotion of the Procedures for Ethical Operations Management and Guidelines for Conduct, as well as the code of conduct. 2. Education and training: The Company regularly organizes courses on the "value of integrity" and related topics, including insider trading, short-term trading, trade secrets, intellectual property rights, the Personal Data Protection Act, and other legal knowledge and case studies. 3. In 2023, a total of 21 sessions were conducted, with 2,002 trainees participating, accumulating 2,210 training hours.	No major differences

Assessment Items	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
III. Operations of the Company's grievance reporting system				
(I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels and designate responsible individuals to handle the complaint received?	✓		(I) The Company has established the "Procedures for Ethical Operations Management and Guidelines for Conduct," and clearly defined the whistleblowing protocols and provided appropriate channels for filing grievances.	No major differences
(II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation?	✓		(II) The Company has established the "Procedures for Ethical Operations Management and Guidelines for Conduct," and made it clear that the identity of whistleblowers and the content of the report are kept confidential.	No major differences
(III) Does the Company adopt proper measures to shield a complainant from retaliation for filing complaints?	✓		(III) The Company has established the "Procedures for Ethical Operations Management and Guidelines for Conduct," and adopted appropriate measures to shield whistleblowers from retaliation for filing grievances.	No major differences
IV. Enhance information disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System?	✓		The Company discloses the relevant information on the corporate website and the MOPS.	No major differences
V. If the company has established corporate governance policies based on "the Ethical Corporate Management Best Practice Principles for the Listed Companies," please describe any discrepancy between the policies and their implementation in the Company: The Company has established the Ethical Corporate Management Best Practice Principles, and the related operations are implemented in accordance with the regulations.				
VI. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (such as reviewing and amending the Company's existing Ethical Corporate Management Best Practice Principles): On November 10, 2023, the Company's board of directors approved the amendments to partial provisions of the "Ethical Corporate Management Best Practice Principles." In line with organizational restructuring, the Division of Corporate Governance is now responsible for formulating, supervising, and implementing ethical management policies and prevention plans, replacing the Division of Administration.				

(VII) If the Company has formulated the best practice principles or the related regulations, disclose how they can be found: Accessible at the corporate governance section of the Market Observation Post System and the Company's official website (<https://www.gdc.com.tw>).

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed: Accessible at the corporate governance section of the Market Observation Post System and the Company's official website (<https://www.gdc.com.tw>).

(IX) Status of implementation of the Company's internal control protocols:

1. Statement on Internal Control:

Goldsun Building Materials Co., Ltd.
Statement on Internal Control:

Date: February 29, 2024

Based on the results of the self-assessment, we hereby make the following statement with regard to the internal control system of the Company for **2023**:

- I. The Company's board and management are responsible for establishing, implementing and maintaining a proper internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability of our financial reporting and compliance with applicable laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. However, internal control system of the Company features a self-monitoring mechanism that enables immediate rectification of deficiencies upon discovery.
- III. The Company evaluates the design and execution of its internal control system based on the criteria specified in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "The Governing Principles") to determine whether or not the existing policies continue to be effective. The criteria adopted by the Regulations identify five key components of managerial internal control: 1. Control environment. 2. Risk assessment. 3. Control activities. 4. Information and communication. 5. Monitoring. Each component has its own items. Please see the Regulations for details.
- IV. We have evaluated the design and operating effectiveness of our internal control system according to the aforementioned Regulations.
- V. Based on the findings of such evaluation, we believe that as of December 31, 2023, it is maintained, in all material respects an effective internal control system (that includes the supervision and management of our subsidiaries) provides reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting and compliance with applicable laws and regulations.
- VI. This Statement will be an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment or other illegality in the content made public will entail legal liability under Article 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This Statement has been approved by the board in the meeting held on February 29, 2024, with none of the twelve attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Goldsun Building Materials Co., Ltd.

Chairman: Lan-Ying Hsu Signature/Seal

President: Chih-Jen Wu Signature & Seal

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: Not applicable.

(X) For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the Company or its internal personnel, any sanctions imposed by the Company upon its internal personnel for violations of internal control system, and the penalties which may have a significant impact on shareholders' equity or the price of securities, and list the content of penalties, principal deficiencies, and the state of any efforts to make improvements: Not applicable.

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

1. Key resolutions from the shareholder meeting:

Date of shareholder meeting resolution	Key Resolutions	Implementation
2023/5/29	1. Ratification of the 2022 business report and financial statements 2. Ratification of the 2022 annual profit distribution 3. Discussion of amendments to provisions of the Articles of Incorporation	1. The consolidated revenue for the year was NT\$21,278.78 million, and the net income was NT\$4,236.11 million, with an EPS of NT\$3.51. 2. June 26, 2023 was set as the date of record of dividends, and the cash dividends were issued on July 14, 2023, at NT\$2 per share. 3. The original proposal of the board was approved by voting, and the change registration was completed.

2. Key resolutions from board meetings:

Date of board resolution	Key Resolutions
2023/2/24	1. 2022 remuneration distribution to employees 2. Meeting resolutions of the Salary and Remuneration Committee 3. 2022 business report and financial statements 4. 2022 annual profit distribution 5. Proposed to issue the 2022 Statement on Internal Control 6. Proposed to appoint Mr. Chih-Jen Wu as the president and chief executive officer 7. Proposed to formulate the 2023 business plan 8. The proposal for the Company's overseas subsidiary Goldsun International Development Corp. in the Cayman Islands to dispose of all shareholding of Goldsun (Changshu) Concrete Co., Ltd. 9. Proposed to purchase land 10. Application for line of credit from banks 11. Proposed to formulate the 2023 continuing education plan for directors. 12. Proposed to amend provisions of the Company's Articles of Incorporation 13. Proposed to amend provisions of the Internal Control System Measures and various control procedures 14. Proposed to amend provisions of the "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" 15. Proposed to convene the 2023 general shareholders' meeting 16. Implementation of shareholders' rights to proposals at the 2023 general shareholders' meeting 17. Proposed to donate NT\$5 million to the Lin Teng Foundation
2023/5/11	1. The Company's Q1 2023 consolidated financial reports. 2. Application for line of credit from banks
2023/8/9	1. The Company's Q2 2023 consolidated financial reports. 2. The proposal of the syndicated loans for the Nangang BR2 urban revitalization project. 3. Application for line of credit from banks
2023/11/10	1. The Company's Q3 2023 consolidated financial reports. 2. Proposed to assess the independence and competence of the Company's CPAs for 2023. 3. Proposed to establish the Company's "Procedures for Reporting Significant Accidental Events"

Date of board resolution	Key Resolutions
	4. Proposed to amend the provisions of the "Ethical Corporate Management Best Practice Principles" 5. Proposed to establish the 2024 annual audit plan 6. Meeting resolutions of the Salary and Remuneration Committee 7. Proposed to amend the Nomination Committee Articles of Incorporation. 8. Appointment of members to the Sustainable Development and Nomination Committee 9. Application for line of credit from banks 10. Proposal for construction of Hualien Hotel by Huaya Development Co., Ltd. 11. Proposal for the lease renewal of the Company's Keelung, Kaohsiung, and Fengshan plants, which are approaching expiration 12. Proposal for sale of the land and building of the Company's Taoyuan Plant to the related party, Leebao Security Co., Ltd.
2024/1/26	Proposal for sale of the land and buildings on such land located at No. 83, Dongguang Section, East District, Tainan City by the Company's subsidiary, Reixin Asset Management Inc.
2024/2/29	1. 2023 remuneration distribution to employees 2. Meeting resolutions of the Salary and Remuneration Committee 3. 2023 business report and financial statements 4. 2023 annual profit distribution 5. Proposed to issue the 2023 Statement on Internal Control 6. Proposed to formulate the 2024 business plan 7. Application for line of credit from banks 8. Proposed to amend the provisions of the Corporate Governance Best Practice Principles. 9. Proposal of amendments to the provisions of the "Board Meeting Rules of Procedures" 10. Proposed to amend the partial provisions of the Audit Committee Organizational Charter 11. Proposed to formulate the 2024 continuing education plan for directors 12. Proposed to convene the 2024 general shareholders' meeting 13. Implementation of shareholders' rights to proposals at the 2024 general shareholders' meeting

(XII) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or independent director has expressed a dissenting opinion with respect to a key resolution passed by the board, and the dissenting opinion has been recorded or prepared as a written declaration: None.

(XIII) A summary of resignations and terminations, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the Company's chairman, general manager, principal accounting officer, principal financial officer, chief internal auditor, principal corporate governance officer and principal research and development officer:

February 29, 2024				
Title	Name	Starting Date	Termination Date	Reason for Resignation or Termination
Chief Executive Officer	Lan-Ying Hsu	June 27, 2014	February 24, 2023	Change of jobs (Chairman not concurrently serving as the CEO)

V. Audit fee of independent auditors

Unit: In Thousands of New Taiwan Dollars

Name of Accounting Firm	Name of Accountant	Audit Period	Audit Service	Non-Audit Service	Total	Remarks
Ernst & Young, Taiwan	Cindy Wang	2023/1/1~ 2023/12/31	4,010	50	4,060	NT\$50 thousand audit fee from the business tax.
	Julia Liu					

(I) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: Not applicable.

(II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more: Not applicable.

VI. Change of auditors: Not applicable.

VII. Information on the chairman, president or managers in charge of the Company's finance and accounting operations, who held any positions within the Company's independent audit firm or its affiliates during the past one year: Not applicable.

VIII. Changes in the transfer or pledge of shares by directors, officers, and shareholders holding over 10% of the outstanding shares in the previous year and by the date of report publication:

(I) Changes in shareholding of directors, managers and principal shareholders:

Job Title	Name	2023		Year ended February 29	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	Lan-Ying Hsu	-	-	-	-
Vice Chairman	Yuan-Shin Investment Co., Ltd.	50,000	-	-	-
	Representative: Vincent Lin	-	2,500,000	-	-
Director	Taiwan Secom Co., Ltd.	-	-	-	-
	Representative: Yu-Feng Lin	-	-	-	-
Director	Sheng-Hung Wang	-	-	-	-
Director	Hongxiu Investment Co., Ltd.	-	-	-	-
	Representative: Hsiu-Liang Lin	-	-	-	-
Director	Chang-Ming Development Co., Ltd.	-	-	-	-
	Representative: Shih-Chung Chang	-	-	-	-
Director	Cheng Hsin Investment Co., Ltd.	1,200,000	-	455,000	-
	Representative: Frank Lin	-	-	-	-
Director	Shang Jing Investment Co., Ltd.	-	-	-	-
	Representative: Hong-Jun Lin	-	-	-	-
Independent Director	Wen-Che Tseng	-	-	-	-
Independent Director	Tai-Jen Chen	-	-	-	-
Independent Director	Yin-Wen Chan	-	-	-	-
Independent Director	Chi-Te Hung	-	-	-	-
CEO	Chih-Jen Wu	-	-	-	-
President	Chiao Lin	-	-	-	-
President	Chia-Ying Chen	-	-	-	-
President	Shang-Yuan Wen	-	-	-	-
President	Chin-Yi Huang	-	-	-	-
Vice President	James Chiu	-	-	-	-
Vice President	Chih-Chiang Yang	-	-	-	-
Vice President	Kuo-Chung Lin	-	-	-	-
Vice President	Jing-Bang Ma	-	-	-	-
Vice President	Wen-Te Chen	-	-	-	-
Vice President	Chia-Chen Lin	-	-	-	-
Assistant Vice President	Chao-Yao Shih	-	-	-	-
Assistant Vice President	Chih-Ping Wang	-	-	-	-
Assistant Vice President	Hao-Hsiang Hsu	-	-	-	-
Assistant Vice President	Hsiu-Ju Lin	-	-	-	-
Assistant Vice President	Liang-Cheng Lin	-	-	-	-
Assistant Vice President	San-Tai Yeh	-	-	-	-
Assistant Vice President	Chung-Rui Yang	-	-	-	-
Assistant Vice President	William Hsu	-	-	-	-
Assistant Vice President	Chen-Chou Chen	-	-	-	-
Assistant Vice President	Chi-Wen Ma	-	-	-	-
Vice President	Chi-Fu Lin	-	-	-	-
Vice President	Lin-Yen Cheng	-	-	-	-
Assistant Vice President	Jie-Tang Chang	-	-	-	-

(II) Stock trade of directors, managers and principal shareholders with a related party: Not applicable.

(III) Stock pledge of directors, managers and principal shareholders with a related party: Not applicable.

IX. Information on top ten shareholders and their mutual relationship:

February 29, 2024 Unit: shares; %

Name	Current Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or kinship within the second degree as specified by SFAS No.6		Remark
	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Title	Relationship with the Company	
Percentage of ownership (%)	82,393,341	6.98%	—	—	—	—	—	—	—
Representative: Mei-Hui Li	176,046	0.01%	—	—	—	—	—	—	—
Taiwan Secom Co., Ltd. Representative: Frank Lin	77,705,747	6.59%	—	—	—	—	Titan Star International Co., Ltd.	Investment by the Company by using the equity method	—
	3,848,950	0.33%	—	—	—	—	Cheng Hsin Investment Co., Ltd.	Second-degree relative of the representatives of the companies	—
							Yuan-Shin Investment Co., Ltd.		—
							Shiaw-Shinn Lin	Relationship within the second degree of kinship	—
							Shin-Lan Investment Co., Ltd.	Responsible person of the Company	—
Titan Star International Co., Ltd. Representative: Wen-Liang Jiang	43,923,710	3.72%	—	—	—	—	Taiwan Secom Co., Ltd.	Investment in the Company by the counterparty using the equity method	—
	—	—	—	—	—	—	—	—	—
Cheng Hsin Investment Co., Ltd. Representative: Shiaw-Shinn Lin	33,781,689	2.86%	—	—	—	—	—	—	—
	17,856,989	1.51%	—	—	—	—	Shiaw-Shinn Lin	Responsible person of the Company	—
							Taiwan Secom Co., Ltd.		—
							Shin-Lan Investment Co., Ltd.	Second-degree relative of the representatives of the companies	—
							Yuan-Shin Investment Co., Ltd.		—
Shin-Lan Investment Co., Ltd. Representative: Frank Lin	26,421,411	2.24%	—	—	—	—	—	—	—
	3,848,950	0.33%	—	—	—	—	Taiwan Secom Co., Ltd.	Responsible person of the Company	—
							Shiaw-Shinn Lin	Relationship within the second degree of kinship	—
							Cheng Hsin Investment Co., Ltd.	Second-degree relative of the representatives of the companies	—
							Yuan-Shin Investment Co., Ltd.		—
Concord International Securities Co., Ltd. Representative: Wen-Tsu Wang	24,512,378	2.08%	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—
Bank of Taiwan entrusted with the custody of Yuanta Taiwan High Dividend Low Volatility ETF Investment Trust Account	23,905,000	2.03%	—	—	—	—	—	—	—
Chuang-Yen Wang	18,350,545	1.56%	—	—	—	—	—	—	—

Name	Current Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Title, name and relationship of the top ten shareholders who have mutual relationship as spouse or kinship within the second degree as specified by SFAS No.6		Remark
	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Title	Relationship with the Company	
Shiaw-Shinn Lin	17,856,989	1.51%	—	—	—	—	Taiwan Secom Co., Ltd.	Second-degree relative of the representatives of the companies	—
							Shin-Lan Investment Co., Ltd.		—
							Yuan-Shin Investment Co., Ltd.		—
							Cheng Hsin Investment Co., Ltd.	Responsible person of the Company	—
Yuan-Shin Investment Co., Ltd. Representative: Vincent Lin	17,508,250	1.48%	—	—	—	—	—	—	—
	7,911,273	0.67%	241,997	0.02%	—	—	Shiaw-Shinn Lin	Relationship within the second degree of kinship	—
							Taiwan Secom Co., Ltd.	Second-degree relative of the representatives of the companies	—
							Cheng Hsin Investment Co., Ltd.		—
							Shin-Lan Investment Co., Ltd.		—

X. The total number of shares and total equity stake held in any single enterprise by the Company, its directors, managerial officers, and any companies controlled either directly or indirectly by the Company

December 31, 2023 Unit: shares; %

Investee	Ownership by the Company		Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries		Total Ownership	
	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership
Taipei Port Terminal Company Limited	250,000,000	100.00	—	—	250,000,000	100.00
Rei Shin Construction Co., Ltd.	80,000,000	100.00	—	—	80,000,000	100.00
Kuoyung Construction & Engineering Co., Ltd.	30,000,000	100.00	—	—	30,000,000	100.00
Goyu Building Materials Co., Ltd.	28,000,000	70.00	—	—	28,000,000	70.00
Goldsun Nihon Cement Co., Ltd.	11,700,000	60.00	—	—	11,700,000	60.00
Wellpool Co., Ltd.	18,280,389	50.70	828,066	2.30	19,108,455	53.00
Huaya Development Co., Ltd.	24,514,108	40.86	—	—	24,514,108	40.86
Reixin Asset Management Inc.	100,000,000	100.00	—	—	100,000,000	100.00
Lake Vernicia Development Company	100,000	100.00	—	—	100,000	100.00
GALC INC.	2,100,000	70.00	—	—	2,100,000	70.00
Taiwan Building Materials (Hong Kong) Limited	116,686,664	100.00	—	—	116,686,664	100.00
(Samoa) Ease Great Investments Limited	31,440,000	100.00	—	—	31,440,000	100.00
(Hong Kong) Yuan Shun Maritime Limited	118,170,000	100.00	—	—	118,170,000	100.00
(Hong Kong) Jing Shun Maritime Limited	10,000,001	100.00	—	—	10,000,001	100.00
(Hong Kong) Feng Shun Maritime Limited	6,250,001	100.00	—	—	6,250,001	100.00
(Hong Kong) Hui Shun Maritime Limited	9,000,001	100.00	—	—	9,000,001	100.00
Gimpo Marine Co., Ltd.	10,000,000	100.00	—	—	10,000,000	100.00

Four. Financing Activities

I. Capital and shares:

(I) Source of capital the past 10 years:

1. History of capital formation:

Year	Month	Issue Price (NT\$)	Authorized share capital		Paid-in capital		Remarks		
			Number of shares	Amount	Number of shares	Amount	Source of capital	Capital Increase by Assets Other than Cash	Others
97	7	10.00	1,304,000,000	13,040,000,000	1,277,216,240	12,772,162,400	Issue (Surplus)	None	Note 1
98	7	10.00	1,304,000,000	13,040,000,000	1,302,760,565	13,027,605,650	Issue (Surplus)	None	Note 2
99	1	11.00	2,000,000,000	20,000,000,000	1,474,760,565	14,747,605,650	Issue (Cash)	None	Note 3
99	7	10.00	2,000,000,000	20,000,000,000	1,504,255,777	15,042,557,770	Issue (Surplus)	None	Note 4
100	6	10.00	2,000,000,000	20,000,000,000	1,519,298,335	15,192,983,350	Issue (Surplus)	None	Note 5
104	10	10.00	2,000,000,000	20,000,000,000	1,494,717,335	14,947,173,350	Capital reduction (Cancellation of treasury stock)	None	Note 6
105	01	10.00	2,000,000,000	20,000,000,000	1,468,000,335	14,680,003,350	Capital reduction (Cancellation of treasury stock)	None	Note 7
105	07	10.00	2,000,000,000	20,000,000,000	1,438,000,335	14,380,003,350	Capital reduction (Cancellation of treasury stock)	None	Note 8
105	09	10.00	2,000,000,000	20,000,000,000	1,428,000,335	14,280,003,350	Capital reduction (Cancellation of treasury stock)	None	Note 9
106	09	10.00	2,000,000,000	20,000,000,000	1,385,000,335	13,850,003,350	Capital reduction (Cancellation of treasury stock)	None	Note 10
109	05	10.00	2,000,000,000	20,000,000,000	1,378,809,335	13,788,093,350	Capital reduction (Cancellation of treasury stock)	None	Note 11
109	07	10.00	2,000,000,000	20,000,000,000	1,180,000,000	11,800,000,000	Capital reduction (Cash)	None	Note 12

Note 1: Capitalization of profit to issue 60,819,821 new shares, declared effective by the Jin-Guan-Zheng-Yi-Zi No. 0970031453, dated June 24, 2008, issued by the Financial Supervisory Commission, Executive Yuan.

Note 2: Capitalization of profit to issue 25,544,325 new shares, declared effective by the Jin-Guan-Zheng-Fa-Zi No. 0980032557, dated June 30, 2009, issued by the Financial Supervisory Commission, Executive Yuan.

Note 3: Cash capital increase to issue 172,000,000 new shares, declared effective by the Jin-Guan-Zheng-Fa-Zi No. 0980058738, dated November 17, 2009, issued by the Financial Supervisory Commission, Executive Yuan.

Note 4: Capitalization of profit to issue 29,495,212 new shares, declared effective by the Jin-Guan-Zheng-Fa-Zi No. 0990034355, dated July 2, 2010, issued by the Financial Supervisory Commission, Executive Yuan.

Note 5: Capitalization of profit to issue 15,042,558 new shares, declared effective by the Jin-Guan-Zheng-Fa-Zi No. 1000028696, dated June 22, 2011, issued by the Financial Supervisory Commission, Executive Yuan.

Note 6: Cancellation of 24,581,000 shares for reduction of capital, approved by the Jin-Guan-Zheng-Jiao-Zi No. 1040044038, dated October 30, 2015, issued by the Financial Supervisory Commission.

Note 7: Cancellation of 26,717,000 shares for reduction of capital, approved by the Jin-Guan-Zheng-Jiao-Zi No. 1040053993, dated January 4, 2016, issued by the Financial Supervisory Commission.

Note 8: Cancellation of 30,000,000 shares for reduction of capital, approved by the Jin-Guan-Zheng-Jiao-Zi No. 1050015719, dated May 2, 2016, issued by the Financial Supervisory Commission.

Note 9: Cancellation of 10,000,000 shares for reduction of capital, approved by the Jin-Guan-Zheng-Jiao-Zi No. 1050028238, dated July 20, 2016, issued by the Financial Supervisory Commission.

Note 10: Cancellation of 43,000,000 shares for reduction of capital, approved by the Jin-Guan-Zheng-Jiao-Zi No. 1060026971, dated July 13, 2017, issued by the Financial Supervisory Commission.

Note 11: Cancellation of 6,191,000 shares of treasury stocks for capital reduction, approved by the Jin-Guan-Zheng-Jiao-Zi No. 1090341313, dated May 1, 2020, issued by the Financial Supervisory Commission.

Note 12: Capital reduction of 198,809,335 shares, approved by the Jin-Guan-Zheng-Jiao-Zi No. 1090350630, dated July 31, 2020, issued by the Financial Supervisory Commission.

2. Type of shares:

Unit: share

Shares Type	Authorized share capital			Remarks
	Shares outstanding	Un-issued Shares	Total	
Common Stock	1,180,000,000	820,000,000	2,000,000,000	The Company's shares are all publicly traded.

(II) Shareholder structure:

February 29, 2024

Unit: Share, People

Composition of Shareholders Quantity	Government Agencies	Financial Institutions	Other Legal Persons	Individual	Foreign Institutions and Natural Persons	Total
Number of people	9	4	391	91,943	288	92,635
Number of shares held	4,824,014	2,955,000	505,332,778	465,840,478	201,047,730	1,180,000,000
Shareholding	0.41%	0.25%	42.82%	39.48%	17.04%	100.00%

Note: IPO companies and emerging listed companies shall disclose the proportion of PRC investments. According to Article 3 of the Investment in Taiwan by Citizens of China, PRC investments refer to the investments made by the citizens, companies, groups, other organizations of China, or the companies they invest in a third region: None.

(III) Composition of Shareholders:

February 29, 2024

Face value: NT\$10/share

Shareholder Ownership			Number of Shareholders	No. of Shares Held	Ownership
1	to	999	60,198	8,490,221	0.72%
1,000	to	5,000	22,842	49,333,361	4.18%
5,001	to	10,000	4,483	34,081,713	2.89%
10,001	to	15,000	1,401	17,374,978	1.47%
15,001	to	20,000	901	16,231,213	1.38%
20,001	to	30,000	846	21,055,992	1.78%
30,001	to	40,000	429	14,998,149	1.27%
40,001	to	50,000	318	14,617,390	1.24%
50,001	to	100,000	535	38,067,203	3.23%
100,001	to	200,000	306	43,128,255	3.65%
200,001	to	400,000	138	39,000,040	3.31%
400,001	to	600,000	63	31,450,888	2.67%
600,001	to	800,000	24	16,641,441	1.41%
800,001	to	1,000,000	24	21,415,691	1.81%
1,000,001 or above			127	814,113,465	68.99%
Total			92,635	1,180,000,000	100.00%

(IV) List of major shareholders:

February 29, 2024

Name of Main Shareholders		Shares	No. of Shares Held	Ownership
Percentage of ownership (%)			82,393,341	6.98%
Taiwan Secom Co., Ltd.			77,705,747	6.59%
Titan Star International Co., Ltd.			43,923,710	3.72%
Cheng Hsin Investment Co., Ltd.			33,781,689	2.86%
Shin-Lan Investment Co., Ltd.			26,421,411	2.24%
Concord International Securities Co., Ltd.			24,512,378	2.08%
Bank of Taiwan entrusted with the custody of Yuanta Taiwan High Dividend Low Volatility ETF Investment Trust Account			23,905,000	2.03%
Chuang-Yen Wang			18,350,545	1.56%
Shiaw-Shinn Lin			17,856,989	1.51%
Yuan-Shin Investment Co., Ltd.			17,508,250	1.48%

(V) Market price, net worth, earnings and dividends per share and the related information for the most recent two years:

Unit: NTD

Item		Year	2022	2023	As of February 29, 2024
Market Price Per Share (Note 1)	Highest		32.75	29.70	33.00
	Lowest		21.30	24.90	27.15
	Average		25.86	26.96	30.24
Net Worth Per Share	Before distribution		19.71	20.75	-
	After distribution		17.71	(Note2)	-
Earnings per share	Weighted Average Shares (thousand shares)		1,176,884	1,176,884	-
	Earnings per share		3.51	3.00	-
Dividends per share (Note 2)	Cash dividends		2.00	2.10	-
	Bonus Share	-	-	-	-
		-	-	-	-
	Dividends in Arrears		-	-	-
Analysis of Return on Investment	Price/Earnings Ratio (Note 3)		7.37	8.99	-
	Price/Dividends Ratio (Note 4)		12.93	12.84	-
	Cash Dividends Yield (Note 5)		7.73%	7.79%	-

* If earnings or capital surplus are transferred to issue bonus shares as a capital increase, the information on the market value and cash dividends retrospectively adjusted according to the number of shares issued should be disclosed.

Note 1: List the highest and lowest market price per share of common stock in each fiscal year. Calculate each fiscal year's average market price based upon each fiscal year's actual trading prices and volume.

Note 2: The 2023 earnings distribution proposal was passed by the board, but has not yet been approved by the 2024 shareholders' meeting.

Note 3: Price-Earnings ratio = Average closing price per share / Earnings per share of the year.

Note 4: Price-Dividends ratio = Average closing price per share / Cash dividends per share of the year.

Note 5: Cash dividends yield = Cash dividend per share / Average closing price per share of the year.

(VI) Company's dividends policy and the implementation status:

1. Dividends policy:

In addition to first paying tax contributions and making up for previous annual losses, the profits from annual final accounts shall have 10% allocated for legal reserve and special reserve according to law. Exception can be made if the legal reserve has reached the Company's paid-in capital. The accumulated beginning undistributed profits and the undistributed profits of the current year are added as the profits available for distribution. The board prepares a proposal for dividend distribution and submits it to the shareholders' meeting for approval, and the dividends are distributed according to the shareholding proportion.

The Company is in a mature industry, and the dividend distribution policy takes into consideration the Company's profitability, capital needs for future operating plan, shareholders' interests, balanced dividends and long-term financial planning. The dividends distributed shall not be less than 30% of the current year's net income less the amount to make up for losses, the legal reserve and the special reserve, and the cash dividends shall not be less than 10% of the current year's dividends.

2. The proposed dividend distribution for the year: The board's resolution on February 29, 2024 proposed to distribute cash dividends of NT\$2.1 per share.

3. Material change expected in the dividend policy: None

(VII) The impact of bonus shares on the Company's operating performance and earnings per share: Not applicable.

(VIII) Remuneration for employees and directors:

1. The percentages or ranges with respect to employees' and directors' remuneration specified in the Articles of Incorporation:

If the Company is profitable in the fiscal year, 3% of the profit shall be allocated as bonuses for employees, and no more than 3% of the profit shall be allocated as remuneration for directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses.

2. The basis for estimating the amount of employee and director compensation, calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The estimates of remuneration to employees and directors are based on the Articles of Incorporation. If there is a discrepancy between the actual distributed amount and the estimated figure, it is considered a change in the accounting estimate and included in the profit or loss in 2024.

3. Distribution of compensation as approved by the board:

(1) If the amount of remuneration for employees and directors distributed in cash or stock is different from the estimates recognized in the fiscal year, please disclose the difference, reasons, and treatment: The board resolution on February 29, 2024 allocated NT\$141,608 thousand, each as the remuneration for directors and employees, which was not different from the estimates in the 2023 fiscal year.

(2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the standalone financial reports or individual financial reports for the current period and total employee remuneration: Not applicable.

4. The actual distribution of employee and director remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is treated:

The board resolution on February 24, 2023 approved the allocation of NT\$157,939 thousand,

each as the remuneration for directors and employees, which was not different from the estimates in the 2022 fiscal year.

(IX) Stock buybacks of the Company: None

II. Issuance of corporate bonds: None

III. Issuance of preferred stocks: None.

IV. Issuance of overseas depository receipts: None.

V. Status of employee stock option plan: None.

VI. Status of employee restricted stock: None.

VII. New share issuance in connection with mergers and acquisitions: None.

VIII. Financing plans and implementation: None.

Five. Overview of Operations

I. About Our Business:

(I) Scope of business:

1. Core business:

Manufacturing, transportation and sales of ready-mix concrete, integration and development of assets, architectural planning and design, lease of shopping malls, cement mining and manufacturing, manufacturing and sales of specialized fireproof building materials.

2. 2023 percentage of operation:

Main products	2023		2022	
	Operating revenue	Percentage of operation (%)	Operating revenue	Percentage of operation (%)
Ready-mix concrete	18,842,117	89.55	19,090,769	89.72
Cement	73,422	0.35	128,447	0.60
Fireproof building materials	951,605	4.52	1,032,314	4.85
Income from port operation	43,997	0.21	47,813	0.22
Others	1,129,990	5.37	979,437	4.61
Total	21,041,131	100.00	21,278,780	100.00

3. Main products and services:

Sales of ready-mix concrete, cement, fireproof building materials, assets management, construction project development and planning, and property operation and management.

4. New products and services under development:

- (1) Continue the mass production of high-end concrete products (ultra-high performance concrete (UHPC) high-performance concrete, self-compacting concrete, high-flow concrete, impermeable concrete, permeable concrete, mass concrete, and low-carbon concrete).
- (2) Incorporate the role and application concepts of circular economy, and continue to promote the optimization of the use of minerals and chemical admixtures for concrete to reduce the embodied carbon of our products.
- (3) Integrate the Group's resources and establish a laboratory with TAF qualification to effectively control the quality of raw materials and strengthen the development capacity of building materials.
- (4) In order to reduce the dependence on natural resources and minimize the energy consumption and the manufacturing and use of polluting cement clinker, we actively research and develop industrial by-products and the re-use of alternative products for our ready-mix concrete and building materials for our affiliate companies, hoping that we can fully showcase the positive performance by-products and reduce the negative impact on the environment.
- (5) Incorporating carbon footprint assessment into various products, building carbon footprint traceability information and database, and continuously deepen the joint development of concrete carbon storage technology with external research units to develop products with lower embodied carbon.
- (6) Large-scale office building compound: Planning and design of corporate group head offices, and joint development of shopping malls and international hotels.

- (7) Planning and construction of high-end resort hotels.
- (8) Joint development of construction sites, assessment of urban revitalization and collaboration in brand agency.

(II) Industry overview:

1. Status and development of the industry:

The concrete industry processes cement products and is an industry to meet the domestic demand. In Taiwan, it is an upstream raw materials supply to the construction sector. The industry condition is greatly affected by the public works and construction industries.

However, the domestic ready-mix concrete industry is still operated by many self-funded SMEs in various scales and quality levels. Ready-mix concrete plants, whether legal, illegal or built at construction sites, are everywhere. The price-cutting by low-quality and low-price products is prevalent in the market. The Company has developed many value-added concrete products to improve the competitiveness and sustainability development.

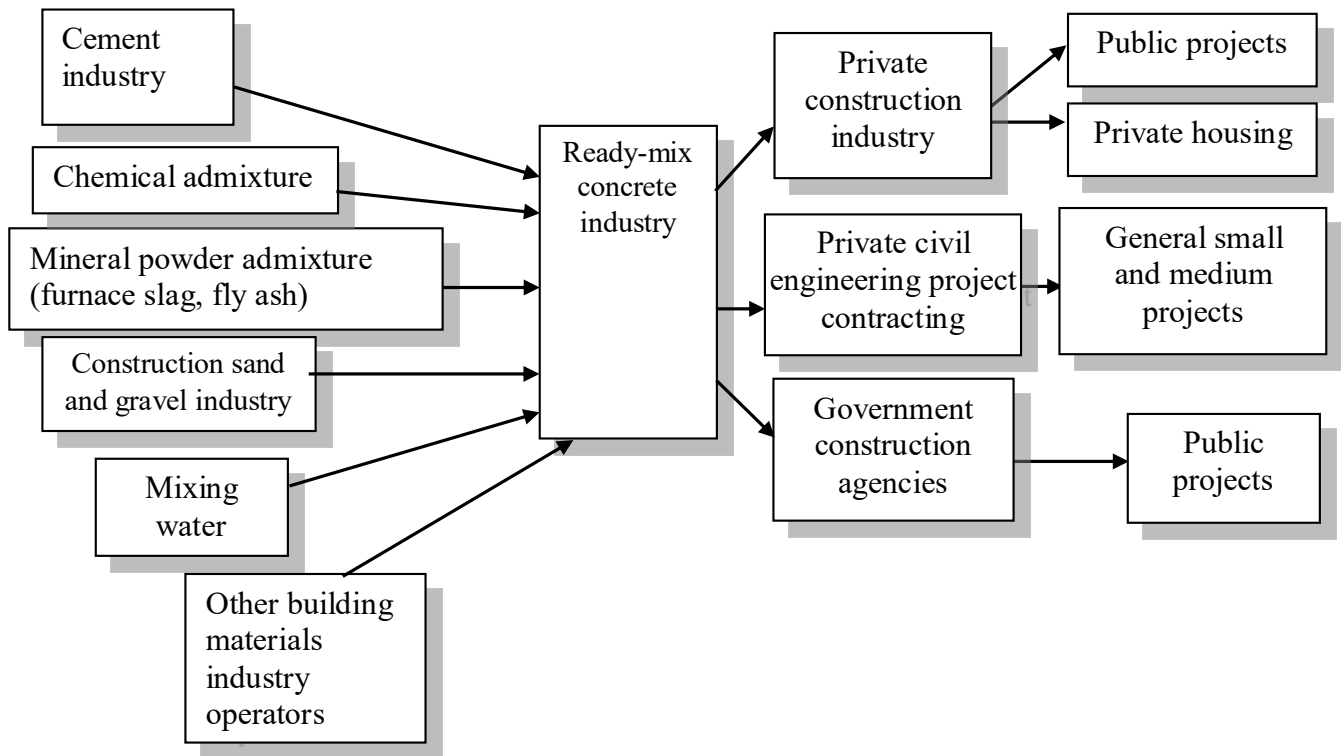
With the continuing socioeconomic growth, the increasing consumer awareness and demand for environmental protection and construction safety, we will introduce high-quality and high-performance products. In the future, only the ready-mix concrete suppliers who value brand image, quality and technology will continue to grow in the increasingly competitive industry environment.

In the first half of 2023, the real estate market was affected by the Central Bank's five interest rate hikes, the implementation of the new provisions of The Equalization of Land Rights Act, and the global economic downturn, leading to a decline in transactions. In the second half of the year, as the political and economic situation became stable, the real estate market was no longer affected by the negative policies and returned to normal. Coupled with the new concessional loans offering to young people, the transactions gradually increased, presenting a trend of recovery in both price and volume from sluggish to stable growth. According to the latest information released by the Department of Statistics of the Ministry of the Interior, about 307,000 units of houses exchanged hands in 2023, a year-over-year decrease of 3.5%.

In 2024, global inflation has slowed down, and the overall economy is expected to recover. Additionally, the probability of interest rate hikes in Taiwan is low due to news of interest rate cuts in the United States. Overall, the housing market is expected to maintain its market structure from the second half of last year, with transaction volumes remaining stable and opportunities for breakthroughs. However, the market is still primarily driven by rigid demand for self-occupied housing.

2. Relations between upstream, midstream and downstream of the industry:

Supply chain structure showing the upstream, midstream and downstream of the construction sector:



3. Development trends and competition of products:

(1) Competitions:

Ready-mix concrete is considered part of the cement product industry. It is a typical traditional industry to meet domestic demand, and the products are used in a variety of industries, including cement (cement raw materials), earth and stone mining (granule), steel smelting (furnace slag), electric power (fly ash) and others (additives, mixing water). Each industry has its own infrastructure and characteristics, and industry operators form a complex network which involves close-knit operations and interactions.

After the great earthquake of September 21, the issues with poor quality of concrete continued to surface, and improvements for quality and control technologies have been continuously offered. In ready-mix concrete plants, concrete materials need to go through processes such as incoming delivery, sampling and analysis, mixture of different grades, ratio design, trial mixing in different ratios, slump test, sample production and sample curing, before the mixing, transportation, pumping, pouring, tamping and curing processes. The application of concrete requires processes in three different environments (ready-mix plants, transportation routes and construction sites) and at least three companies (ready-mix companies, pumping suppliers and constructors). Products are finished only if the acceptance of curing is completed, and cannot be finished separately during this period. Compared with the other general manufacturing industries, the concrete business is complex, and closely related to the manufacturing and environment. In order to achieve established objectives, structures, regions, environment and application all play an important role. It may be different from the high-tech industry which requires

accurate and precise measurement, it is a high technology product made of continuous physical and chemical changes.

Some industry peers who seek quick return have mistakenly believed that the manufacturing and application of concrete are simple and require a low technological threshold. This is the key reason why many construction contractors and concrete suppliers have sprung up in recent years, creating such fierce competition in today's market. If the disorderly and vicious competition continues, it will bring more concerns to the quality of construction projects.

The ready-mix concrete industry is facing increasingly brutal market competition. Improving the core competitiveness of businesses and learning to co-exist with market demand and brutal competition are issues that all practitioners in the ready-mix concrete industry must seriously consider.

(2) Development trends:

Many domestic traditional industries are facing a transition process. Those bearing high costs may choose to manufacture in countries with low labor wages. However, ready-mix concrete businesses cannot adopt this approach due to the limitations in transportation and time. Besides, domestic traditional industries have not invested much in branding. According to statistics, the average annual gross profit margin of traditional industries in Taiwan is about 6% to 8%. In the future, the ready-mix concrete industry must spend more efforts in branding and services to change the image of the traditional industry, so that the market segmentation can be defined clearly, further improving sales and profitability.

(III) Overview of technology and R&D

	2024 (planning)	2023	2022
Research areas	1. Collaborate with corporate technical entities to develop carbon storage technologies for multifaceted concrete, and cooperate with units that are continuing to explore carbon capture technologies. 2. Continue feasibility study on the alternative raw materials of diverse by-products and development of low-carbon building materials. 3. Encourage application for green building materials labeling, verify product carbon footprints for accurate labeling, and further develop products related to low-carbon building materials. 4. Continuously introduce and develop automated equipment, as well as establish self-owned smart production technology for ready-mixed concrete. 5. Development of high-performance, low-heat-of-hydration, and other functional concrete products. 6. Continue to expand the scope of TAF laboratory testing.	1. Mass production of concrete carbon sequestration technology and the combination with carbon capture technology. 2. Continue feasibility study on the alternative raw materials of diverse by-products and development of diverse carbon reduction technology. 3. Carbon footprint verification application for low-carbon building materials labels and products, and the development of related products. 4. Practical application of ready-mixed concrete smart process technology. 5. Development of high-performance, self-healing and other functional concrete products. 6. Completion of TAF-accredited laboratory.	1. Practical application of concrete carbon sequestration technology. 2. Research and development of diverse carbon reduction technology for concrete. 3. Carbon footprint verification application for green building materials labels and products, and the development of related products. 4. Development of optimization technology for the manufacturing of ready-mixed concrete. 5. Feasibility study on the alternative raw materials of diverse by-products. 6. Apply for certification of the laboratory
R&D expenditure	NT\$61.24 million	NT\$42.71 million	NT\$18.25 million

(IV) Long-term and short-term business development planning

1. Short-term business development plan:

- (1)Expand the regional market growth in Taiwan and increase sales.
- (2)Create value-added concrete products for segmentation and market niche.
- (3)Improve depth and breadth of business development and customer service to reduce complaints and increase service satisfaction.
- (4)Stabilize investment in Suzhou, China, and expand production capacity in niche markets in a timely manner to improve overall financial performance.
- (5)Revitalize assets: Renovation of shopping malls in Tainan for regional market development, and add lease area coverage to improve the operational performance.
- (6)Branding of shopping mall operation: Create the South Urban Village brand and build consumer word of mouth.

2. Long-term business development plan:

- (1)The Company will use its specialized technologies and accumulated operating experience to build plants to serve various market niches, expand business territory and improve operational performance.
- (2)Actively engage in the integration of related industries, incorporate resources and capabilities of the corporate group to create more value.
- (3)Improve brand image and product quality to increase more returning customers and market share.
- (4)Assets revitalization: Actively invest in large-scale commercial building compounds, international hotels and residential buildings.
- (5)Hospitality management: Collaborate with international hotel brands to improve asset management.

II. Markets, production, and marketing

(I) Market analysis:

1. Major markets of the Company's products

The Company mainly manufactures ready-mix concrete to supply the domestic architecture and construction industries and public works.

2. Market trends and market share:

Contemporary construction structures are leaning toward large-scale, high floors and large capacity developments. They also must withstand the test of harsh environmental conditions. The development of water conservation, electric power, airports and seaports also have high requirements for the quality of ready-mix concrete. Providing ready-mix concrete to meet the technical requirements of various construction structures at any time is a big challenge for suppliers' manufacturing technologies and innovation, and it determines how a supplier can take the lead in the market competition.

The Company takes pride in being a leading brand with quality in the concrete market. In the consumer market which is increasingly focusing on quality and technology, it is even more beneficial for the Company, so we are still confident about our growth in the future market and our market share.

According to the Department of Statistics of the Ministry of Economic Affairs, the total volume of ready-mix concrete sold in Taiwan in 2022 and 2023 were 49,939 and 49,461 (year-over-year growth of 0.96%) thousand cubic meters, respectively. For Goldsun, the total volume of ready-mix concrete sold in 2023 was 6.01 million, a year-over-year decrease of 5.3% compared with 6.34 million cubic meters in 2022. For 2024,

the international institutions predict that the global trade activities are expected to recover. The domestic real estate market continued the trend of stable growth through the last year, and the sales volume of ready-mixed concrete remained flat.

3. Future market supply-demand and growth:

Looking forward to the future, international institutions have predicted that global trade activities are expected to resume growth in 2024. However, we still face challenges from many uncertain factors such as the Red Sea crisis, the race for green subsidies, extreme weather events, and geopolitical risks. The domestic housing market is currently experiencing positive growth. With the government's public construction budget reaching a record high, it is anticipated that more civil tenders will be released in the future. This, in turn, is expected to stimulate the domestic economy and contribute to the gradual recovery, thereby boosting demand for commercial offices, factory spaces, and industrial warehousing. Consequently, the outlook for the construction industry is poised to improve in the foreseeable future.

Besides, the continuous promotion of railway construction by the central and local governments has driven development and use of land plots around the construction projects. The completion of public construction and traffic network projects continues to drive the growth of nearby regions. For example, the Beitou Shilin Technology Park, the 14th phase of re-zoning projects in Taichung, and new industry clusters in Tainan and Kaohsiung due to the expansion of TSMC create tech corridors to inject more vitality to the surrounding housing markets through industry investment and urban renewal.

4. Favorable and unfavorable factors affecting the future outlook:

(1) Favorable:

- Good brand image and recognition of having good quality among industry peers. Has rich industry experience, an excellent management team, leading specialized technologies and research and development capabilities. Good understanding of the market. Accumulation of extensive client base and good customer relationships, which facilitate good business development.
- In terms of the production process, research and development, we adhere to the principle of "Quality First," and continue to innovate and comply with the ISO certifications. In recent years, we have actively participated in the Good Ready-Mix Concrete (GRMC) certification, so that the quality of our products can withstand tests, and the efforts provide a positive impact on our business development.
- In terms of raw materials, we can fully grasp the sources of sand and gravel to ensure their quality and cost advantage. Goldsun currently operates a sand and gravel wharf for its own businesses in Taipei Port, and has its own ships to transport sand and gravel from China, which allows the Company to control cost and quality of sand and gravel.

(2) Unfavorable:

- The lack of government authority bodies in the industry allows illegal ready-mix concrete plants to participate in the competition with their low price offers, resulting in a chaotic market and driving out legal industry peers.
- Taiwan is densely populated, and the overdevelopment has significantly reduced the available space. With the market demand being greatly reduced, many industry peers have substantially reduced prices for survival, which also damages the market competition.
- The growing environmental awareness raised the restrictions on building factories. The stricter regulations on load limits, growing oil prices, rising prices and shortage of raw materials, and the price cuts of industry peers and 2nd-tier

companies have greatly increased operating costs and risks.

(II) Usage and manufacturing processes for the company's main products:

1. Main uses:

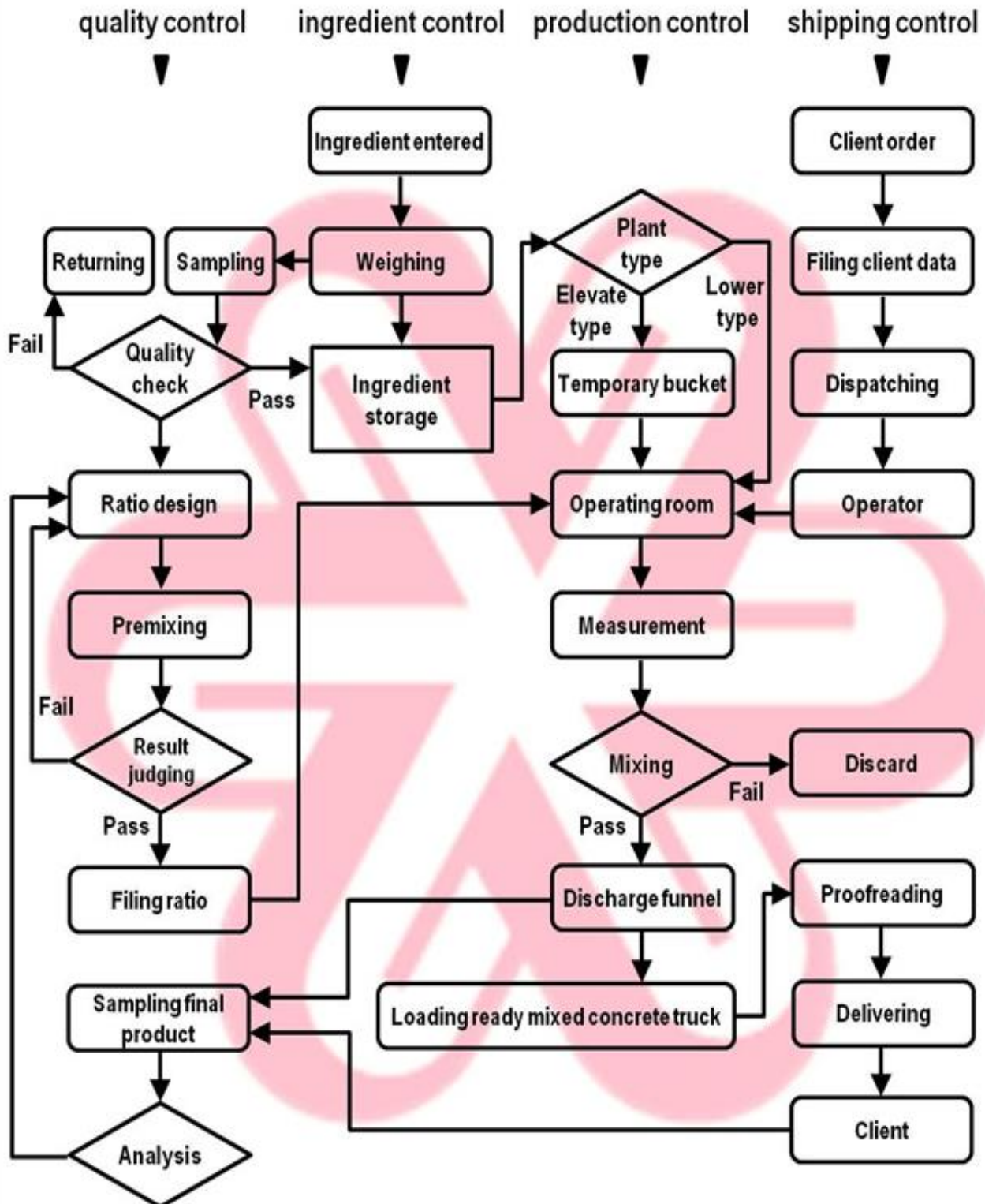
The ready-mix concrete industry processes cement products. Ready-mix concrete consists of four to five types of raw materials, cement, water, fine aggregates, coarse aggregates and selected admixtures (may include blast furnace slag, fly ash, silica fume, chemical admixtures), and are mixed by adopting accurate and precise formula and fully automatic measurement, before being transported to construction job sites by concrete mixer trucks.

Ready-mix concrete is delivered in a large volume and can be used quickly, which saves manpower and time required. It can also eliminate the piles of gravel by the roadside to reduce pollution, meeting the requirements of environmental protection. It is one of the main building materials used in public works and private building construction. Besides, the excellent quality and high strength makes it a necessity in the construction of contemporary buildings, ensuring the safety of building structures.

In order to meet the needs of various construction projects today, we have developed our concrete from the general-purpose concrete of the past to the contemporary high-performance concrete which offers high-strength, high-flow, high durability and low shrinkage. At the same time, we provide custom-made specialized concrete to meet customers' special needs and purposes for their construction projects.

2. Manufacturing processes of ready-mix concrete (RMC):

Flow chart of RMC production & quality control



(III) Supply status of main raw materials:

1. Cement:

Mainly supplied by domestic cement manufacturers, and partially supplied by foreign cement manufacturers.

2. Sand and gravel:

In the northern region, sand and gravel materials are purchased from China by the Company's one-stop shop approach. In other regions, sand and gravel are from legally dredged streams at various grades. The main source of supply is Hualien Creek, Houlong Creek, Da-An Creek, Dajia River, Zhuoshui River and Laonong River.

(IV) The names of the top ten purchase (sales) parties and the amount and ratio of their purchase (sales) in the past two years:

1. Parties who buy more than 10% of goods sold in any one of the past two years:

In either 2023 or 2022, there were no clients who accounted for more than 10% of the total sales amount.

2. Parties who account for more than 10% of purchase in any one of the past two years:

Unit: In Thousands of New Taiwan Dollars

Description	2023				2022		
	Item	Amount	Proportion to net purchase of the year (%)	Relationship with the Company	Amount	Proportion to net purchase of the year (%)	Relationship with the Company
1	Tritong Macao Trading Limited	1,190,427	10.24	None	-	-	None
2	Others	10,429,610	89.76		12,622,910	100.00	
	Net purchase	11,620,037	100.00		12,622,910	100.00	

(V) Production volume the most recent two years:

Unit: NT\$1,000

Product Name \ Year	2023			2022		
	Production capacity	Volume	Value	Production capacity	Volume	Value
Ready-mix concrete (M³) -- Taiwan	9,000,000	5,868,824	13,096,927	9,000,000	6,174,433	13,054,340
Ready-mix concrete (M³) -- Suzhou	1,000,000	804,749	1,271,580	1,500,000	1,213,608	2,214,682
Calcium silicate board and others (PU)	5,152,000	3,883,489	713,637	5,152,000	4,216,865	722,679
Total			15,082,144			15,991,701

(VI) Sales volume the most recent two years

Unit: NT\$1,000

Product Name \ Year	2023				2022			
	Domestic		Overseas		Domestic		Overseas	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Ready-mix concrete (M ³) -- Taiwan	6,007,318	17,426,442	-	-	6,341,368	16,658,534	-	-
Ready-mix concrete (M ³) -- Suzhou	825,390	1,415,675	-	-	1,217,421	2,432,235	-	-
Calcium silicate board (including rockwool and glass wool)	3,703,899	951,605	-	-	4,224,721	1,032,314	-	-
Portland Type 1 cement	23,334	73,422	-	-	43,829	128,447	-	-
Income from port operation		43,997	-	-		47,813	-	-
Others		1,129,990	-	-		979,437	-	-
Total		21,041,131	-	-		21,278,780	-	-

III. Employee information:

Information on employees for the most recent two years and up to the publication date of the annual report:

Goldsun Building Materials Co., Ltd.

Year		2022	2023	As of February 29, 2024
Number of Employees	Employees	596	602	611
	Technicians	2	0	0
	Regular workers	0	0	0
	Drivers	31	30	28
	Total	629	632	639
Average Age		43.77	43.82	44.13
Average Service Tenure		11.22	11.12	11.09
Distribution of Educational Background	Doctoral degree	0.5%	0.5%	0.5%
	Master's degree	4.6%	5.7%	5.5%
	College	48.0%	47.8%	48.1%
	Senior high School	40.9%	39.5%	39.6%
	Below senior high school	6.0%	6.5%	6.3%

Taipei Port Terminal Company Limited

Year		2022	2023	As of February 29, 2024
Number of Employees	Employees	9	9	9
	Technicians	19	22	22
	Regular workers	5	5	6
	Drivers	-	-	-
	Total	33	36	37
Average Age		42.6	42.1	42.1
Average Service Tenure		3.7	4.3	4.4
Distribution of Educational Background	Doctoral degree			
	Master's degree			
	College	41.2%	38.8%	38.2%
	Senior high School	52.9%	55.6%	53.0%
	Below senior high school	5.9%	5.6%	8.8%

Kuoyung Construction & Engineering Co., Ltd.

Year		2022	2023	As of February 29, 2024
Number of Employees	Employees	3	3	3
	Technicians	-	-	-
	Regular workers	-	-	-
	Drivers	-	-	-
	Total	3	3	3
Average Age		52.6	53.6	53.8
Average Service Tenure		9.8	10.8	10.9
Distribution of Educational Background	Doctoral degree			
	Master's degree			
	College	100.0%	100.0%	100.0%
	Senior high School			
	Below senior high school			

Goldsun Nihon Cement Co., Ltd.

Year		2022	2023	As of February 29, 2024
Number of Employees	Employees	6	5	5
	Technicians	2	2	2
	Regular workers	2	4	4
	Drivers	-	-	-
	Total	10	11	11
Average Age		49.4	47.6	47.7
Average Service Tenure		8.8	8.4	8.5
Distribution of Educational Background	Doctoral degree			
	Master's degree			
	College	80.0%	63.6%	63.6%
	Senior high School	20.0%	18.2%	18.2%
	Below senior high school		18.2%	18.2%

Wellpool Co., Ltd.

Year		2022	2023	As of February 29, 2024
Number of Employees	Director labor	115	113	118
	Indirect labor	4	4	4
	Management / Administrative / R&D personnel	29	29	26
	Total	148	146	148
Average Age		43.7	44.8	44.2
Average Service Tenure		8.8	10.4	10.2
Distribution of Educational Background	Doctoral degree	0.7%	0.7%	0.7%
	Master's degree	1.4%	1.4%	2.0%
	College	21.6%	22.6%	23.0%
	Senior high School	49.3%	52.7%	51.3%
	Below senior high school	27.0%	22.6%	23.0%

Goyu Building Materials Co., Ltd.

Year		2022	2023	As of February 29, 2024
Number of Employees	Employees	9	15	15
	Technicians	21	15	15
	Regular workers	5	6	6
	Drivers	-	-	-
	Total	35	36	36
Average Age		38.3	40.0	40.2
Average Service Tenure		1.2	1.9	2.0
Distribution of Educational Background	Doctoral degree		5.6%	5.6%
	Master's degree	2.9%	2.8%	2.8%
	College	42.8%	50.0%	50.0%
	Senior high School	25.7%	30.6%	30.6%
	Below senior high school	28.6%	11.0%	11.0%

Goldsun Building Materials Co., Ltd. -- Suzhou Business Unit

Year		2022	2023	As of February 29, 2024
Number of Employees	Employees	44	35	35
	Technicians	58	31	31
	Regular workers	-	-	-
	Drivers	2	2	2
	Total	104	68	68
Average Age		40.2	41.3	41.5
Average Service Tenure		8.1	8.2	8.2
Distribution of Educational Background	Doctoral degree			
	Master's degree	2.0%	1.8%	1.8%
	College	40.3%	35.1%	34.1%
	Senior high School	26.2%	30.9%	32.9%
	Below senior high school	31.5%	32.2%	31.2%

GALC INC.

Year		2022	2023	As of February 29, 2024
Number of Employees	Employees	3	5	5
	Technicians	-	-	-
	Regular workers	-	-	-
	Drivers	-	-	-
	Total	3	5	5
Average Age		29.0	34.1	34.3
Average Service Tenure		1.2	1.6	1.7
Distribution of Educational Background	Doctoral degree			
	Master's degree			
	College	100.0%	60.0%	60.0%
	Senior high School		40.0%	40.0%
	Below senior high school			

Huaya Development Co., Ltd.

Year		2022	2023	As of February 29, 2024
Number of Employees	Employees	2	2	2
	Technicians	-	-	-
	Regular workers	-	-	-
	Drivers	-	-	-
	Total	2	2	2
Average Age		48.5	49.5	49.6
Average Service Tenure		1.1	2.1	2.3
Distribution of Educational Background	Doctoral degree			
	Master's degree			
	College	100.0%	100.0%	100.0%
	Senior high School			
	Below senior high school			

IV. Environmental protection expenditure:

(I) Total amount of loss (including damages) and penalties incurred due to pollution as of the most recent year and the date of publication of the annual report:

The Company paid a total of NT\$502,200 in fines for violating environmental regulations.

Item	Judgment date	Judgment document number	Laws and regulations for the violation	Violations	Amount of fine
1	2023/02/08	40-112-020015	Paragraph 2, Article 27 of the Waste Disposal Act	The construction was not cleaned up properly, causing waste or leftover earth and rocks to pollute adjacent roads or sidewalks. (Most Dazhi Affordable Housing Construction Project by Sheng De Fu Construction Development Co., Ltd, 109-Jian-Zi No. 0188, sand and mud pollution of the ground) (Degree of pollution A=1, characteristics of pollution B=3, Degree of hazard C=1)	3,600
2	2023/04/18	41-112-041022	Paragraph 2, Article 27 of the Waste Disposal Act	The polluting of the ground, pools of water, drainage gutters, walls, beams or pillars, utility poles, trees, roadways, bridges or other fixed structures (Vehicle No.: 693-BL, road surface polluted by mud) (Degree of pollution A=1, characteristics of pollution B=1, Degree of hazard C=1)	1,200
3	2023/05/23	41-112-050403	Article 27, subparagraph 1 of the Waste Disposal Act	Other general waste disposed of within the designated clearance area (vehicle no.: 303-BQ)	1,200
4	2023/06/06	41-112-060221	Paragraph 2, Article 27 of the Waste Disposal Act	At the entrance and exit of the car wash, wastewater was not collected and treated, leading to the pollution of drains.	2,400
5	2023/06/06	41-112-060222	Paragraph 2, Article 27 of the Waste Disposal Act	Vehicles entering and exiting carry mud, sand, and earth on their tires, polluting the ground.	2,400
6	2023/06/06	41-112-060223	Paragraph 2, Article 27 of the Waste Disposal Act	Vehicles entering and exiting carry mud, sand, and earth on their tires, polluting the ground.	2,400
7	2023/08/08	21-112-070434	Paragraph 3, Article 40 of the Air Pollution Control Act	On March 24, 2023, at 8:33 AM, a vehicle owned by the Company (with the license plate number AUF-2253) was observed passing through the air quality maintenance zone designated for Hulin National Junior High School and National Elementary School announced by the City government (location of violation: Yanping Road Section 2 and Niupu North Road). However, the vehicle had not undergone nor passed the required smoke exhaust test conducted by the Environmental Protection Bureau of any county or city government within 1 year preceding the audit date.	500

Item	Judgment date	Judgment document number	Laws and regulations for the violation	Violations	Amount of fine
8	2023/09/04	30-112-090001	Paragraph 1 of Article 7 and Paragraph 1 of Article 28 of the Water Pollution Control Act.	Upon receiving complaints from the public, the Environmental Protection Bureau of the City Government conducted an inspection of your Zhubei Plant on April 18, 2023. It was found that water overflowed into the receiving water body at the Zhubei Plant's management facility (failure of the storage pool motor). Samples were collected from the overflow area and sent for inspection. The results showed that the pH value was 12.09, and the total suspended solids were 85 mg/l, which did not meet the standard for effluent.	288,000
9	2023/10/23	21-112-100386	Paragraph 3, Article 40 of the Air Pollution Control Act	A vehicle (vehicle No.: 236-S5) owned by the Company passed through the first phase of air quality maintenance zone in the County (Yichun Road, Miaoli City) on July 19, 2023. Upon inspection, it was discovered that the vehicle had been in use for three years. However, it had not undergone nor passed the smoke exhaust test conducted by the Environmental Protection Bureau of any county or city government within the year preceding the audit date.	500
10	2023/12/05	20-112-120014	Paragraph 4, Article 34 of the Air Pollution Control Act	It has been determined that the plant located at No. 81 Jiangshan Road in the Daliao District is engaged in the concrete mixing process (M01). This plant is classified as a public or private premise that have been officially announced as requiring Class B dedicated air pollution control personnel. On August 2, 2023, our inspection officer conducted an audit at the Plant. During the audit, it was discovered that Hong ○○, the former dedicated personnel, had resigned on April 30, 2023. However, the Plant failed to submit an application for the cancellation and establishment of dedicated personnel (Application No. LC20230615012) to the "Environmental Management System (EMS), Ministry of Environment, Executive Yuan/Online Application for Dedicated Personnel" until June 15, 2023. This failure to report the establishment of acting designated personnel in writing to the Bureau within 15 days following the occurrence of the event violates the provision of Article 9, paragraph 1 of the Regulations for the Establishment and Management of April Pollution Prevention Dedicated Units or Dedicated Personnel, which was established pursuant to Article 34, paragraph 4, Air Pollution Control Act.	200,000

(II) Future countermeasures (including improvement) and their potential expenditures (including estimates for potential loss, disposal and compensation if not taking the countermeasures, and if they cannot be reasonably estimated, the fact that they cannot be reasonably estimated shall be stated):

1. With respect to air pollution: The Company arranged re-inspection of vehicles and registration of the annual exhaust gas inspection date, which are pasted on the license as a reminder. The Company employed its internal system and measures such as filling out relevant documents to prevent penalties for failing to complete the process within the time limit by the designated personnel.
2. With regard to water pollution: The Company reinforced inspection of the plant area and replaced faulty equipment in time. We regularly consulted the environmental protection consulting firm to report changes and additions in a timely manner to comply with permit documents.
3. With regard to waste cleaning, drivers are advised to properly operate their vehicles and return to the plants for cleaning in accordance with the regulations, so as to prevent leakage and pollution of the ground during transportation.

In addition to the abovementioned improvement measures, we prepare budget every year to replace and update various pollution prevention and control equipment to meet regulatory requirements and reduce environmental burden. In the future, environmental protection expenditures are expected to include about NT\$26.55 million for air pollution prevention and control equipment, NT\$20.83 million for water pollution prevention and control equipment, and NT\$14.70 million for waste cleaning-related equipment, totaling NT\$62.08 million.

(III) In order to implement consistent environmental protection policies, we allocate budgets for establishment of plants to achieve complete recycling with pollution prevention and control equipment. In recent years, we have successively updated or added the pollution prevention and control equipment currently in the plants to comply with new regulatory requirements. For example: Grit basin, water meter, tire washing pool, closed aggregate bins and others.

1. The Company's environmental protection policies and implementation philosophy:
 - (1) The operations of factories must comply with the current environmental protection regulations, adhere to building good community relations and improve environmental quality to become a role model for the industry.
 - (2) All affiliated factories fully adopt industrial waste reduction and resource recovery measures to reduce operating costs and reinforce competitiveness.
 - (3) Parallel implementation of environmental protection and occupational safety and health measures at factories to strive for objectives of "Zero pollution to the environment" and "Zero disaster at factories."
2. Equipment improvement, manufacturing model change, recycling and reuse:
 - (1) Automatic recovery and recycling of waste (soil) water and wastes (sand, stones, mud) from equipment and converting them into resources. Waste water and wastes from car wash and over-time ready-mix concrete are treated to separate a variety of raw materials which are concentrated to complete the recovery and reuse processes to achieve the conversion.
 - (2) Raw materials (cement) are transported by high-efficiency pulsating dust collection equipment, so that the air pollution can meet the environmental protection standards. The recovery and reuse at the site are to ensure product quality.
 - (3) Raw materials (coarse and fine aggregates) are transported and stored in closed

equipment, which integrate manufacturing and environmental protection in efforts to achieve zero pollution.

3. Management practices and performance:

(1) Factory management and inventory system

Closed equipment is used for raw materials delivery to plants, transportation, storage, metering, mixing and logistics. Equipment pollution caused during transportation, mixing and logistics by vehicles are washed manually or by machine. Waste (polluted) is then recovered, and wastes (sand, stone and mud) are converted into resources.

(2) Operations management system

The factory administrative management team establishes maintenance checkpoints for each plant and introduces a proposal system to improve the manufacturing process and equipment.

4. Training and promotion:

(1) Employee training

Participate in seminars on waste water treatment for technicians and industrial safety and health organized by the Environmental Protection Administration. Regularly hold education and training sessions on labor safety and health.

(2) Collaborate with government agencies to organize case studies (seminars or factory tours).

5. Others:

(1) Industrial safety and health:

Manufacturing, installation and maintenance of equipment have been designed to ensure safety and instruct employees of industrial safety and health knowledge.

(2) Environmental health:

Transport, storage, metering and mixing of various raw materials and the cleaning of roads within plants have been fully considered. A variety of software and hardware have been purchased and developed to meet the environmental health requirements and make the environment green, so that employees can enjoy a more comfortable work environment.

(3) Protection measures for work environment and employees' personal safety:

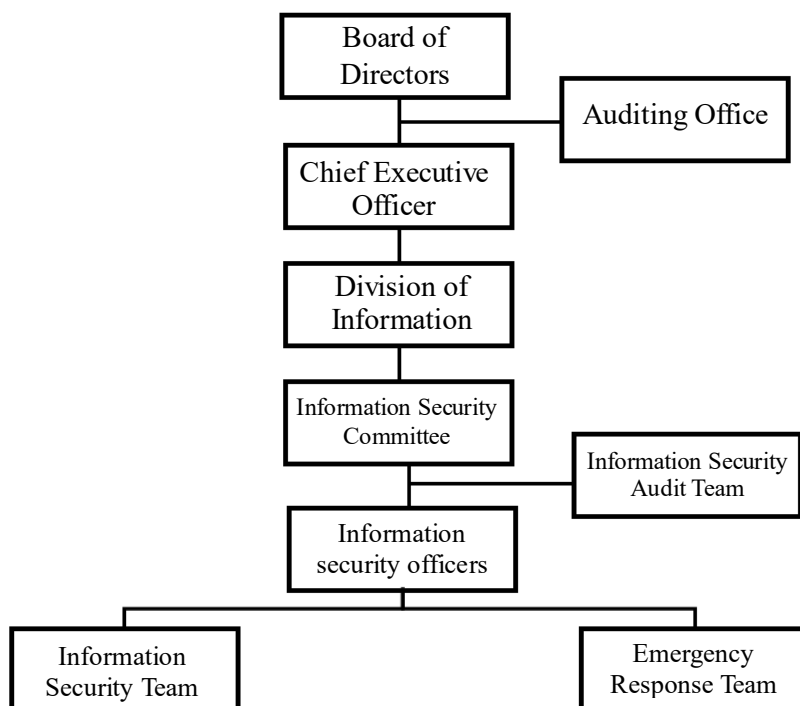
- Established the "Occupational Safety and Health Management Plan" and submitted it to the authority for recordkeeping (Taipei City Lao-Jian-Yi-Zi No. 09230172500).
- Established "Occupational Safety and Health Committee" which holds meetings regularly to protect the safety of employees for both the employer and employees.
- The environmental and fire protection inspection is conducted by external specialized vendors contracted by the Company. Local fire bureau office then conducts a secondary examination of the violations.
- Access control management: Access control is set up at offices' main gates. 24-hour surveillance systems are set up at public areas, corridors, elevators, driveways and emergency exits. Mobile communication is reinforced in underground parking lots and elevators to facilitate safety. Plants are equipped with 24-hour surveillance systems.
- First aid equipment: Each floor of offices is equipped with AED and emergency bells.
- Education on advocacy on safety: Labor safety personnel are gathered to undergo education and training. Plants also provide practical training on labor safety for workers based on their functions between February and March every year.

V. Information Security Management

(I) Information security governance organization and management structure:

1. Information security organizational structure

In July, 2022, the Company established the "Information Security Management Division" as the dedicated unit for information security and information risk management. This division is responsible for handling the planning, promotion, and implementation of information security management matters. In addition, the Company established the "Information Security Committee," which holds an annual management review meeting convened by the Chief Information Security Officer (the most recent meeting was on June 1, 2023). The committee is responsible for resolving information security-related policy and reviewing the effectiveness of policy implementation. It reports the implementation to the Board of Directors (the most recent report was on November 10, 2023).



2. Information Security Committee

The Chief Information Security Officer serves as the convener of the "Information Security Committee," assigning dedicated personnel serving as the Information Security Officer. An information security team and an emergency response team are set up and meet monthly to review the effectiveness of information security standards implementation, information security risks and enhancement measures, and refer to global trends to adjust information security indicators. In addition, the information security audit team (concurrently served by the Audit Office) conducts an annual audit to ensure that management targets are achieved.

(II) Information security policy and specific management solutions:

1. Information security policies:

In view of the complex and diverse forms of modern information systems, the Company established the information security management system at the end of December 2022 by referring to the relevant specifications of the international standard for information security management (ISO/IEC 27001:2013). By the end of December 2023, the Headquarters, Information Center, and factory areas implemented information security

management procedures, guidelines, and information security risk management to put information security policies into practice.

In September 2023, SGS Taiwan Ltd., an international certification institution, conducted a compliance audit of ISO-27001. The audit aimed to assess the Company's adherence to control objectives and measures for information security policy management and maintenance in its contracted computer rooms and self-maintained switch rooms. On November 14, the Company achieved ISO 27001 certification for information security.

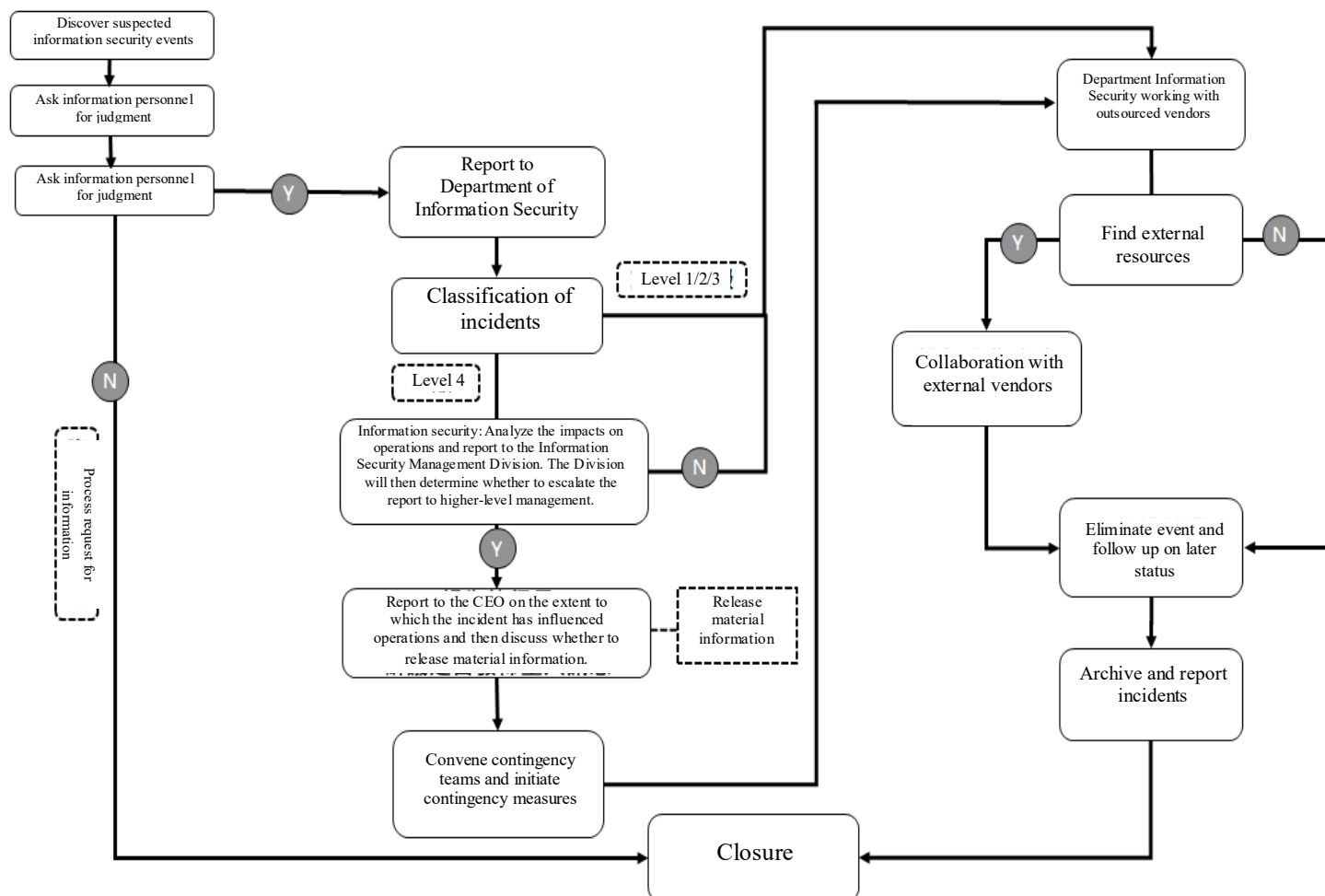
2. Resources and solutions invested in information security risk management:

Item	Description	Explanation
1	Information asset management	● The Company conducts annual inventory of data, software, physical assets, and personnel, as well as risk assessments, to ensure the accuracy and completeness of the information assets. ● The Company performs risk evaluations, identifying and addressing potential threats and weaknesses to information assets, to assess the incidence and impact of incidents.
2	Key business continuity management	● Levels of key business levels within the key business information system are regularly identified based on their business importance, asset value, and risk assessment results. They are compiled into a business impact analysis for review.
3	Computer equipment security management	● All personal computers used for office work are installed with anti-virus software, and the system and virus patterns are updated regularly.
4	Vulnerability scanning	● A professional information security company is contracted to perform security testing and vulnerability detection on the information equipment of each unit, and to promptly address any identified issues.
5	Enhance network security control	● Information security protection tools are introduced and utilized to mitigate the risk of intrusion by external hackers or through social engineering channels.
6	Access control management	● All user accounts, passwords, and special access rights are authorized through a formal application. ● Conduct regular inventory of user accounts to maintain the confidentiality and integrity of the information system.
7	Application security management	● System development is based on software life cycle control and undergoes security tool inspections. Development and testing mechanisms are established, along with version control. ● Separate development and testing environment from official operation environment to maintain the integrity of all data.
8	Outsourcing management	● We included security requirements, such as confidentiality, in all relevant contracts with suppliers, and established contract terms and conditions that can meet the information needs. ● We conducted a review to assess whether the software utilized by our outsourced contractors during contract execution possesses legal copyright. We also examined the execution records pertaining to the processing of the Company's information operations.
9	Information security audit	● The audit department conducts audits on the implementation of the information security management annually, prepares reports, and tracks non-conformities for improvement.
10	Information security education and training	● In 2023, the Company held 1 training course and conducted Information security awareness training through the internal eLearning platform. ● We regularly disseminated cases of recent domestic and foreign information security incidents, such as phishing emails, social engineering attacks, online advertising service fraud, and cloud service security.
11	Join the Information Security Alliance	● In March 2022, the Company joined the "Taiwan CERT/CSIRT" Alliance to access the latest information security information and response resources in a timely manner, as well as to evaluate whether the Company's equipment or software is exposed to threats and is repaired in a timely manner.

(III) Information security incident management:

(IV) Find external resources

The Company established reporting and contingency procedures for information security incidents. A dedicated unit is responsible for determining and handling major information security incidents to minimize damage.



Information Security Incident Reporting Process Flow Chart

(V) List the losses, possible impacts and countermeasures suffered from major information security incidents as of the most recent year and the date of publication of the annual report. For the incidents that cannot be reasonably estimated, describe the facts: None.

VI. Labor relations:

(I) Employee benefit plans, continuing education, training, retirement systems and the status of their implementation, as well as the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Main employee benefit measures:

(1) Insurance:

All employees of the Company participate in labor insurance and national health insurance policies. New hires participate in the employee group insurance policy.

(2) Employee health examination:

The Company conducts physical examinations when hiring. Employees are given regular health examinations in accordance with the Occupational Safety and Health Act.

(3) Welfare activities:

The Employee Welfare Committee regularly organizes domestic or overseas tours every year and a variety of team-building activities from time to time to encourage interaction of employees and their cohesion with the organization and work morale.

(4) Training and continuing education:

We organize training for new hires, managers at all levels and a variety of functional and professional skills, and encourage employees to participate in the continuing education programs at domestic universities or colleges to improve their work knowledge or skills or correct attitudes and behaviors to meet the needs of organization, increase the Company's overall performance and maximize the value of human resources.

(5) Retirement system and implementation progress:

The Company has established comprehensive retirement measures and a Labor Retirement Fund Supervisory Committee in accordance with the regulations to supervise the withdrawal and use of retirement funds. In addition, the Labor Pension Act came into effect on July 1, 2005. The Company allocates no less than 6% of employees' monthly salary to their pension plans.

2. Agreement between the employers and employees:

The Company values the rights and interests of employees and respects the opinions of the trade union. The employer and employees regularly or from time to time communicate to reach consummate agreements on disputes. There are no losses due to labor disputes, and the employer-employee relationship is coordinated and harmonious.

(II) Losses due to labor disputes, and the potential current and future amount, and response measures as of the most recent year and the date of publication of the annual report: None.

(III) Whether there are disputes, or employer-employee relationships which need to be coordinated: None.

VII. Important contracts, litigation or non-litigation incidents:

Please see p. 145 of the annual financial report for the disclosure of the "Long-Term Borrowings" contracts.

Six. Overview of Financial Status

I. Condensed balance sheet and income statement and accountants' auditing recommendations for the past five years

(I) Goldsun Group:

1. Condensed Consolidated Balance Sheet

Unit: NT\$1,000

Year Item		Financial information for the past five fiscal years				
		2019	2020	2021	2022	2023
Current assets		14,905,806	12,533,765	12,530,850	12,657,734	12,555,138
Property, plant and equipment		8,919,507	9,074,291	9,849,017	12,242,233	13,961,554
Intangible assets		3,717,413	3,875,104	3,787,021	3,680,866	3,574,973
Other assets		9,502,267	9,245,750	9,593,595	10,370,250	10,457,474
Total assets		37,044,993	34,728,910	35,760,483	38,951,083	40,549,139
Current liabilities	Before distribution	9,955,912	6,210,029	7,137,852	9,066,546	8,688,597
	After distribution	10,369,555	7,980,029	9,261,852	11,426,546	Note 1
Non-current liabilities		5,613,214	7,188,505	6,116,784	5,487,481	6,242,638
Total Liabilities	Before distribution	15,569,126	13,398,534	13,254,636	14,554,027	14,931,235
	After distribution	15,982,769	15,168,534	15,378,636	16,914,027	Note 1
Equity attributable to the parent		20,384,349	20,199,329	21,390,258	23,265,481	24,494,182
Capital		13,850,003	11,800,000	11,800,000	11,800,000	11,800,000
Additional paid-in capital		1,177,219	1,178,554	1,183,587	1,189,725	1,203,816
Retained earnings	Before distribution	5,352,154	7,323,281	8,382,319	10,384,015	11,557,709
	After distribution	4,938,511	5,553,281	6,258,319	8,024,015	Note 1
Others		15,012	(97,717)	29,141	(103,470)	(62,554)
Treasury stock		(10,039)	(4,789)	(4,789)	(4,789)	(4,789)
Non-controlling interests		1,091,518	1,131,047	1,115,589	1,131,575	1,123,722
Total Equity	Before distribution	21,475,867	21,330,376	22,505,847	24,397,056	25,617,904
	After distribution	21,062,224	19,560,376	20,381,847	22,037,056	Note 1

Note 1: As of the date of publication of the annual report, the shareholders meeting has not yet been held.

2. Condensed Consolidated Comprehensive Income Statement

Unit: NT\$1,000

Year Item	Financial information for the past five fiscal years				
	2019	2020	2021	2022	2023
Operating revenue	19,005,069	18,877,800	21,801,699	21,278,780	21,041,131
Operating gross profit	1,290,471	3,133,447	4,106,129	4,302,120	4,985,900
Operating income	364,231	2,323,557	3,244,392	3,349,475	4,036,535
Non-operating income and expenses	906,593	382,237	401,938	1,778,524	549,616
Income before income tax	1,270,824	2,705,794	3,646,330	5,127,999	4,586,151
Net income	1,185,961	2,550,807	2,933,244	4,236,108	3,621,076
Other comprehensive income (post-tax)	161,018	(199,406)	109,349	(138,642)	42,967
Total comprehensive income	1,346,979	2,351,401	3,042,593	4,097,466	3,664,043
Net income attributable to shareholders of the parent company	1,101,659	2,472,927	2,848,871	4,132,218	3,530,978
Net income attributable to non-controlling interests	84,302	77,880	84,373	103,890	90,098
Total comprehensive income attributable to shareholders of the parent company	1,262,246	2,273,233	2,957,678	3,993,085	3,574,257
Total comprehensive income attributable to non-controlling interests	84,733	78,168	84,915	104,381	89,786
Earnings per share	0.80	1.90	2.42	3.51	3.00

(II) Goldsun Company:

1. Condensed balance sheet

Unit: NT\$1,000

Year Item		Financial information for the past five fiscal years				
		2019	2020	2021	2022	2023
Current assets		8,050,850	7,607,938	9,374,825	8,477,617	9,441,375
Property, plant and equipment		4,191,993	4,402,375	5,345,694	7,371,389	9,206,446
Intangible assets		15,374	14,072	12,501	9,538	6,789
Other assets		20,033,309	17,421,215	15,879,183	18,322,399	17,740,709
Total assets		32,291,526	29,445,600	30,612,203	34,180,943	36,395,319
Current liabilities	Before distribution	8,872,485	4,662,548	5,602,725	7,806,875	7,961,905
	After distribution	9,286,128	6,432,548	7,726,725	10,166,875	Note 1
Non-current liabilities		3,034,692	4,583,723	3,619,220	3,108,587	3,939,232
Total Liabilities	Before distribution	11,907,177	9,246,271	9,221,945	10,915,462	11,901,137
	After distribution	12,320,820	11,016,271	11,345,945	13,275,462	Note 1
Capital		13,850,003	11,800,000	11,800,000	11,800,000	11,800,000
Additional paid-in capital		1,177,219	1,178,554	1,183,587	1,189,725	1,203,816
Retained earnings	Before distribution	5,352,154	7,323,281	8,382,319	10,384,015	11,557,709
	After distribution	4,938,511	5,553,281	6,258,319	8,024,015	Note 1
Others		15,012	(97,717)	29,141	(103,470)	(62,554)
Treasury stock		(10,039)	(4,789)	(4,789)	(4,789)	(4,789)
Total Equity	Before distribution	20,384,349	20,199,329	21,390,258	23,265,481	24,494,182
	After distribution	19,970,706	18,429,329	19,266,258	20,905,481	Note 1

Note 1: As of the date of publication of the annual report, the shareholders meeting has not yet been held.

2. Condensed Comprehensive Income Statement

Unit: NT\$1,000

Year Item	Financial information for the past five fiscal years				
	2019	2020	2021	2022	2023
Operating revenue	12,728,434	14,494,761	16,361,670	16,984,058	17,870,020
Operating gross profit	1,020,719	2,515,684	3,513,052	3,648,112	4,383,210
Operating income	449,281	2,002,867	2,949,164	3,030,525	3,740,207
Non-operating income and expenses	673,433	503,336	524,140	1,918,238	696,838
Income before income tax	1,122,714	2,506,203	3,473,304	4,948,763	4,437,045
Net income	1,101,659	2,472,927	2,848,871	4,132,218	3,530,978
Other comprehensive income (post-tax)	160,587	(199,694)	108,807	(139,133)	43,279
Total comprehensive income	1,262,246	2,273,233	2,957,678	3,993,085	3,574,257
Earnings per share	0.80	1.90	2.42	3.51	3.00

(II) Names and opinions of auditors for the past five years:

Year	Item	Name of accounting firm	CPAs	Audit Opinions
2023		Ernst & Young, Taiwan	Cindy Wang and Julia Liu	An unqualified opinion
2022		Ernst & Young, Taiwan	Cindy Wang and Julia Liu	An unqualified opinion
2021		Ernst & Young Taiwan	Ian Wang, Hsin-Min Hsu	An unqualified opinion
2020		Ernst & Young Taiwan	Chien-Ru Yu, Hsin-Min Hsu	An unqualified opinion
2019		Ernst & Young Taiwan	Chien-Ru Yu, Hsin-Min Hsu	An unqualified opinion

II. Financial analysis for the past five years:

(I) Financial analysis for the past five years and the analysis of changes in various financial ratios in the past two years

1. Goldsun Group

Year Items to be analyzed		Financial analyses for the past five fiscal years				
		2019	2020	2021	2022	2023
Capital structure (%)	Debt to asset ratio	42.03	38.58	37.07	37.37	36.82
	Long-term fund to property, plant and equipment ratio	384.72	314.28	290.61	244.11	228.20
Solvency %	Current ratio	149.72	201.83	175.56	139.61	144.50
	Quick ratio	137.36	181.62	150.01	124.88	131.30
	Times interest earned	1,092.95	2,834.40	4,407.94	5,829.42	3,850.90
Operating performance	Receivables turnover ratio (times)	2.51	2.47	2.99	2.84	2.70
	Days sales outstanding	145.41	147.77	122.07	128.52	135.19
	Average inventory turnover (times)	26.63	23.98	25.16	22.67	21.55
	Accounts payable turnover ratio (times)	6.31	5.68	5.28	4.59	4.34
	Average inventory turnover days	13.71	15.22	14.51	16.10	16.94
	Property, plant and equipment turnover (times)	2.23	2.10	2.30	1.93	1.61
	Total assets turnover (times)	0.52	0.52	0.62	0.57	0.53
Profitability	Return on total assets (%)	3.54	7.32	8.52	11.53	9.36
	Return on equity (%)	5.64	11.92	13.38	18.06	14.48
	Pre-tax income to paid-in capital (%)	9.18	22.93	30.90	43.46	38.87
	Net margin (%)	6.24	13.51	13.45	19.91	17.21
	Earnings per share (NT\$)	0.80	1.90	2.42	3.51	3.00
Cash flow	Cash flow ratio (%)	7.83	45.70	53.75	32.86	43.56
	Cash flow adequacy ratio (%)	(9.10)	(2.19)	105.48	71.90	79.86
	Cash flow reinvestment ratio (%)	2.07	10.98	9.32	3.79	5.80
Leverage	Operating leverage	0.74	1.81	1.62	1.70	1.56
	Financial leverage	1.54	1.04	1.03	1.03	1.03
Analysis of deviation of the past two years over 20%:						
1. Times interest earned decreased by 34%: Mainly due to an increase of 37% in interest expenses.						
2. Cash flow ratio increased by 33%: Mainly due to the increase of 27% in net cash flow from operating activities this year.						
3. Cash flow reinvestment ratio rose by 53%: Same as 2.						

2. Goldsun Company

Year Items to be analyzed		Financial analyses for the past five fiscal years				
		2019	2020	2021	2022	2023
Capital structure (%)	Debt to asset ratio	36.87	31.40	30.13	31.93	32.70
	Long-term fund to property, plant and equipment ratio	558.66	562.95	467.84	357.79	308.84
Solvency %	Current ratio	90.74	163.17	167.33	108.59	118.58
	Quick ratio	81.18	142.90	140.26	96.07	108.74
	Times interest earned	1,182.39	3,578.18	6,508.31	8,816.60	5,054.66
Operating performance	Receivables turnover ratio (times)	2.65	2.77	2.90	2.85	2.91
	Days sales outstanding	137.74	131.77	125.86	128.07	125.43
	Average inventory turnover (times)	29.27	23.33	23.41	24.21	26.26
	Accounts payable turnover ratio (times)	7.43	8.29	7.07	6.78	7.70
	Average inventory turnover days	12.47	15.65	15.59	15.08	13.90
	Property, plant and equipment turnover (times)	3.03	3.37	3.36	2.67	2.16
	Total assets turnover (times)	0.40	0.47	0.54	0.52	0.51
Profitability	Return on total assets (%)	3.77	8.20	9.64	12.90	10.22
	Return on equity (%)	5.53	12.19	13.70	18.51	14.79
	Pre-tax income to paid-in capital (%)	8.11	21.24	29.43	41.94	37.60
	Net margin (%)	8.66	17.06	17.41	24.33	19.76
	Earnings per share (NT\$)	0.80	1.90	2.42	3.51	3.00
Cash flow	Cash flow ratio (%)	(6.94)	44.43	55.47	33.02	34.75
	Cash flow adequacy ratio (%)	15.96	63.73	83.58	57.68	62.45
	Cash flow reinvestment ratio (%)	(4.29)	7.05	5.50	1.90	1.59
Leverage	Operating leverage	3.60	1.57	1.42	1.51	1.45
	Financial leverage	1.30	1.04	1.02	1.02	1.02
Analysis of deviation of the past two years over 20%: 1. Times interest earned decreased by 43%: Mainly due to an increase of 58% in interest expenses. 2. Return on assets decreased by 21%: Mainly due to a decrease of 15% in net profit before tax. 3. Return on shareholders' equity decreased by 20%: Same as 2.						

Formula are shown as follows:

1. Financial structure
 - (1) Debt-to-asset ratio = Total liabilities / Total assets
 - (2) Long-term fund to property, plant and equipment ratio = (Shareholders' equity + non-current liabilities) / Net property, plant and equipment
2. Liquidity analysis
 - (1) Current ratio = Current assets / Current liabilities
 - (2) Quick ratio = (Current assets – inventories – prepaid expenses) / Current liabilities
 - (3) Times interest earned = Earnings before interest and taxes / Interest expenses
3. Operating performance
 - (1) Receivables (including accounts receivable and notes receivable due to business operation) turnover = Net sales / the balance of average receivables of different periods (including accounts receivable and notes receivable due to business operation)
 - (2) Average collection days = 365 / Receivable turnover ratio
 - (3) Average inventory turnover = Cost of goods sold / average inventory
 - (4) Payables (including accounts payables and notes payable due to business operation) turnover = Cost of goods sold / the balance of average payables of different periods (including accounts payables and notes payable due to business operation)
 - (5) Average inventory turnover days = 365 / Inventory turnover
 - (6) Fixed asset turnover = Net sales / Average net value of fixed asset
 - (7) Total asset turnover = Net sales / Average total asset
4. Profitability analysis
 - (1) Return on total assets = [Net income + Interest expenses x (1 – tax rate)] / Average total assets
 - (2) Return on equity attributable to shareholders of the parent = Net income attributable to shareholders of the parent / Average equity attributable to shareholders of the parent
 - (3) Net margin = Net income / Net sales
 - (4) Earnings per share = (Net income attributable to shareholders of the parent – preferred stock dividend) / Weighted average number of shares outstanding
5. Cash flow
 - (1) Cash flow ratio = Net cash provided by operating activities / Current Liabilities
 - (2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend
 - (3) Cash flow reinvestment ratio = (Cash provided by operating activities – cash dividends) / (Gross property, plant and equipment + long-term investments + other noncurrent assets + working capital).
6. Leverage:
 - (1) Operating leverage = (Net operating income - Variable operating costs and expenses) / Operating profit
 - (2) Financial leverage = Operating profit / (Operating profit - Interest expense)

III. Audit committee review of the most recent annual financial report:

Audit Committee Report

The board of directors has prepared the Company's 2023 business report, financial statements (including the consolidated financial statements) and proposals for profits distribution. The accounting firm Ernst & Young, Taiwan, has audited the Company's financial statements and issued an audit report with an unqualified opinion. The business report, financial statements, and profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to relevant requirements of the Securities and Exchange Act and the Company Act, we hereby submit this report.

Goldsun Building Materials Co., Ltd.

Convener of the Audit Committee: **Wen-Che Tseng**

February 29, 2024

IV. Consolidated financial statements for the most recent fiscal year audited and validated by certified public accountants

Representation Letter

The entities included in the consolidated financial statements as of 2023 (from January 1, 2023 to December 31, 2023), prepared under the International Financial Reporting Standards, No.10, are the same as the entities to be included in the combined financial statements of the Company, if any are to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any set of combined financial statements other than the Consolidated Financial Statements.

Very truly yours,

Company Name: Goldsun Building Materials Co., Ltd.

Chairman: Lan-Ying Hsu

February 29, 2024

Independent Auditors' Report Translated from Chinese

To GOLDSUN BUILDING MATERIALS CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of GOLDSUN BUILDING MATERIALS CO., LTD. and its subsidiaries (the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter section), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Revenue from contracts with customers that recognized by the Group amounted to NT\$20,080,624 thousand for the year ended December 31, 2023, and the main source of revenue is the sale of pre-mixed concrete, cement and calcium silicate board. The timing of sales was recognized when the performance obligations was satisfied that goods were delivered and accepted by the customers. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to:

1. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.
2. Selecting samples to perform tests of details, performing tests of transaction detail which included reviewing vouchers of selected samples to confirm the performance obligations was satisfied.
3. Performing cutoff testing through periods before and after the balance sheet date by reviewing related documentation of selected samples.
4. Executing accounts receivable confirmation procedures to confirm with the Group's customers. Moreover, performing other alternative audit procedures if customers do not return confirmations.

We also consider the appropriateness of the disclosures of operating revenue. Please refer to Note 6.

Other Matter – Making Reference to the Audits of Other Auditors

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflected total assets in the amount of NT\$1,520,483 thousand and NT\$1,902,743 thousand, constituting 4% and 5% of consolidated total assets as of December 31, 2023 and 2022, respectively; and total operating revenues in the amount of NT\$528,494 thousand and NT\$506,094 thousand, constituting 3% and 2% of consolidated operation revenues for the years ended December 31, 2023 and 2022, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
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 the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion including an Other Matters Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022.

/s/Wang, Hsuan-hsuan

/s/ Liu, Hui-Yuan

Ernst & Young, Taiwan
February 29, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and December 31, 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	\$2,307,847	6	\$2,106,579	5
Financial assets at fair value through profit or loss, current	4,5 and 6	\$441,226	1	-	-
Financial assets at fair value through other comprehensive income, current	4,5,6 and 8	695,825	2	666,402	2
Financial assets at amortized cost, current	4,6 and 8	199,811	-	164,675	-
Notes receivable, net	4,5 and 6	1,138,506	3	1,416,809	5
Accounts receivable, net	4,5 and 6	6,544,379	16	6,443,088	16
Accounts receivable-related parties, net	4,5,6 and 7	27,598	-	13,006	-
Other receivables		22,395	-	489,203	1
Other receivables-related parties	7	21,767	-	21,219	-
Current tax assets		8,656	-	879	-
Inventories, net	4,5,6 and 8	646,510	2	843,867	2
Prepayments		497,470	1	489,665	1
Other current assets		3,148	-	2,342	-
Total current assets		12,555,138	31	12,657,734	32
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4,5,6 and 8	1,248,848	3	1,234,408	3
Financial assets at amortized cost, non-current	4,6 and 8	79,031	-	73,733	-
Investments accounted for under the equity method	4,5 and 6	846,490	2	860,569	2
Property, plant and equipment	4, 6, 7 and 8	13,961,554	35	12,242,233	32
Right-of-use assets	4,5 and 6	744,069	2	615,220	2
Investment property, net	4,5,6 and 8	5,734,408	14	5,492,361	14
Intangible assets	4,6 and 8	3,574,973	9	3,680,866	10
Deferred tax assets	4,5 and 6	685,671	2	735,670	2
Prepayment for equipment		149,852	-	59,819	-
Refundable deposits	8	62,864	-	51,047	-
Long-term receivable	4,5 and 6	904,442	2	1,245,160	3
Other assets, non-current		1,799	-	2,263	-
Total non-current assets		27,994,001	69	26,293,349	68
Total assets		\$40,549,139	100	\$38,951,083	100

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED BALANCE SHEETS
December 31, 2023 and December 31, 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4,6 and 8	\$2,705,000	7	\$2,645,000	7
Short-term notes and bills payable	6 and 8	\$199,961	1	-	-
Notes payable		431,776	1	733,433	2
Accounts payable		1,607,576	4	1,934,329	5
Accounts payable - related parties	7	129,810	-	106,268	-
Other payables	6	1,735,550	4	1,687,070	4
Other payables - related parties	7	16,576	-	26,811	-
Current tax liabilities	4 and 5	866,132	2	704,889	2
Lease liabilities, current	4 and 6	120,588	-	110,591	-
Other current liabilities		178,122	-	144,745	-
Advanced receipts	6	39,506	-	52,660	-
Current portion of long-term loans	4,6 and 8	658,000	2	920,750	3
Total current liabilities		8,688,597	21	9,066,546	23
Non-current liabilities					
Long-term loans	4,6 and 8	4,968,348	12	3,766,551	10
Provisions, non-current	4 and 6	11,497	-	11,497	-
Deferred tax liabilities	4,5 and 6	512,770	1	510,594	2
Lease liabilities, non-current	4 and 6	609,215	3	437,533	1
Long-term notes and bills payable	6 and 8	-	-	599,865	1
Net defined benefit liabilities, non-current	4,5 and 6	73,235	-	116,489	-
Guarantee deposits	7	39,068	-	43,117	-
Other non-current liabilities		28,505	-	1,835	-
Total non-current liabilities		6,242,638	16	5,487,481	14
Total liabilities		14,931,235	37	14,554,027	37
Equity attributable to the parent	4 and 6				
Capital					
Common stock		11,800,000	29	11,800,000	30
Additional paid-in capital		1,203,816	3	1,189,725	3
Retained earnings					
Legal reserve		2,640,765	6	2,228,195	6
Special reserve		1,874,430	5	1,874,430	5
Unappropriated earnings		7,042,514	17	6,281,390	16
Other components of equity		(62,554)	-	(103,470)	-
Treasury stock		(4,789)	-	(4,789)	-
Total equity attributable to the parent company		24,494,182	60	23,265,481	60
Non-controlling interests	6	1,123,722	3	1,131,575	3
Total equity		25,617,904	63	24,397,056	63
Total liabilities and equity		\$40,549,139	100	\$38,951,083	100

The accompanying notes are an integral part of the consolidated financial statements.

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	2023		2022	
		Amount	%	Amount	%
Operating revenue	4,5,6 and 7	\$21,041,131	100	\$21,278,780	100
Operating costs	6 and 7	(16,055,231)	(76)	(16,976,660)	(80)
Gross profit		<u>4,985,900</u>	<u>24</u>	<u>4,302,120</u>	<u>20</u>
Operating expenses	4,5,6 and 7				
Sales and marketing expenses		(174,991)	(1)	(179,849)	(1)
General and administrative expenses		(728,474)	(3)	(718,922)	(3)
Research and development expenses		(42,710)	-	(18,247)	-
Expected credit losses		(3,190)	-	(35,627)	-
Subtotal		<u>(949,365)</u>	<u>(4)</u>	<u>(952,645)</u>	<u>(4)</u>
Operating income		<u>4,036,535</u>	<u>20</u>	<u>3,349,475</u>	<u>16</u>
Non-operating income and loss	4,6 and 7				
Interest income		28,388	-	14,182	-
Other income		156,861	1	529,101	2
Other gains and losses		500,052	2	1,313,229	6
Finance costs		(122,268)	(1)	(89,503)	-
Share of profit or loss of associates and joint ventures		(13,417)	-	11,515	-
Subtotal		<u>549,616</u>	<u>2</u>	<u>1,778,524</u>	<u>8</u>
Income before income tax		<u>4,586,151</u>	<u>22</u>	<u>5,127,999</u>	<u>24</u>
Income tax expense	4,5 and 6	<u>(965,075)</u>	<u>(5)</u>	<u>(891,891)</u>	<u>(4)</u>
Net income		<u>3,621,076</u>	<u>17</u>	<u>4,236,108</u>	<u>20</u>
Other comprehensive income	4 and 6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		3,010	-	3,265	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		30,247	-	(367,179)	(1)
Income tax related to items that will not be reclassified		(601)	-	(653)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		10,311	-	225,925	-
Total other comprehensive income (loss), net of tax		<u>42,967</u>	<u>-</u>	<u>(138,642)</u>	<u>(1)</u>
Total comprehensive income		<u>\$3,664,043</u>	<u>17</u>	<u>\$4,097,466</u>	<u>19</u>
Net income attributable to:					
Shareholders of the parent		\$3,530,978		\$4,132,218	
Non-controlling interests		<u>90,098</u>		<u>103,890</u>	
		<u>\$3,621,076</u>		<u>\$4,236,108</u>	
Comprehensive income attributable to:					
Shareholders of the parent		\$3,574,257		\$3,993,085	
Non-controlling interests		<u>89,786</u>		<u>104,381</u>	
		<u>\$3,664,043</u>		<u>\$4,097,466</u>	
Earnings per share (NT\$)	6				
Basic earnings per share		<u>\$3.00</u>		<u>\$3.51</u>	
Diluted earnings per share		<u>\$2.99</u>		<u>\$3.49</u>	

The accompanying notes are an integral part of the consolidated financial statements.

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Description	Equity Attributable to the Parent Company									Non-Controlling Interests	Total Equity
	Common Stock	Additional Paid-in Capital	Retained Earnings			Other Components of Equity		Treasury Stock	Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensive income				
Balance as of January 1, 2022	\$11,800,000	\$1,183,587	\$1,945,291	\$1,874,430	\$4,562,598	\$(633,628)	\$662,769	\$(4,789)	\$21,390,258	\$1,115,589	\$22,505,847
Appropriations and distributions of 2021 unappropriated earnings											
Legal reserve	-	-	282,904	-	(282,904)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,124,000)	-	-	-	(2,124,000)	-	(2,124,000)
Other changes in capital reserve											
Donated surplus	-	270	-	-	-	-	-	-	270	-	270
Net income in 2022	-	-	-	-	4,132,218	-	-	-	4,132,218	103,890	4,236,108
Other comprehensive (loss) income, net of tax in 2022	-	-	-	-	2,121	225,925	(367,179)	-	(139,133)	491	(138,642)
Total comprehensive income	-	-	-	-	4,134,339	225,925	(367,179)	-	3,993,085	104,381	4,097,466
Parent company's cash dividends received by subsidiaries	-	5,609	-	-	-	-	-	-	5,609	-	5,609
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	259	-	-	-	-	-	-	259	(259)	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(88,136)	(88,136)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(8,643)	-	8,643	-	-	-	-
Balance as of December 31, 2022	\$11,800,000	\$1,189,725	\$2,228,195	\$1,874,430	\$6,281,390	\$(407,703)	\$304,233	\$(4,789)	\$23,265,481	\$1,131,575	\$24,397,056
Balance as of January 1, 2023	\$11,800,000	\$1,189,725	\$2,228,195	\$1,874,430	\$6,281,390	\$(407,703)	\$304,233	\$(4,789)	\$23,265,481	\$1,131,575	\$24,397,056
Appropriations and distributions of 2022 unappropriated earnings											
Legal reserve	-	-	412,570	-	(412,570)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,360,000)	-	-	-	(2,360,000)	-	(2,360,000)
Other changes in capital reserve											
Donated surplus	-	7,794	-	-	-	-	-	-	7,794	(58)	7,736
Net income in 2023	-	-	-	-	3,530,978	-	-	-	3,530,978	90,098	3,621,076
Other comprehensive (loss) income, net of tax in 2023	-	-	-	-	2,721	10,311	30,247	-	43,279	(312)	42,967
Total comprehensive income	-	-	-	-	3,533,699	10,311	30,247	-	3,574,257	89,786	3,664,043
Parent company's cash dividends received by subsidiaries	-	6,232	-	-	-	-	-	-	6,232	-	6,232
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	65	-	-	-	-	-	-	65	(3,425)	(3,360)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(94,156)	(94,156)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(5)	-	358	-	353	-	353
Balance as of December 31, 2023	\$11,800,000	\$1,203,816	\$2,640,765	\$1,874,430	\$7,042,514	\$(397,392)	\$334,838	\$(4,789)	\$24,494,182	\$1,123,722	\$25,617,904

The accompanying notes are an integral part of the consolidated financial statements.

GOLDSUN BUILDING MATERIALS CO., LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Description	2023	2022
Cash flows from operating activities:		
Net income before tax	\$4,586,151	\$5,127,999
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	575,603	613,821
Amortization	109,078	110,408
Amortization of processing fees for syndicated loan	405	405
Expected credit losses	3,190	35,627
Interest expense	122,268	89,503
Interest income	(28,388)	(14,182)
Dividend income	(65,758)	(69,629)
Gain on disposal of investments	(223,243)	-
Share of loss (profit) of associates and joint ventures	13,417	(11,515)
(Gain) loss on disposal of property, plant and equipment	(366,485)	350,943
(Gain) loss on disposal of investment property	(1,036)	261
Gain on disposal of non-current assets held for sale	-	(1,743,181)
Impairment loss of investment property	-	20,020
Gain on lease modification	(94)	(1,883)
Changes in operating assets and liabilities:		
Notes receivable, net	278,026	240,450
Accounts receivable, net	(414,414)	(1,147,205)
Accounts receivable-related parties, net	(14,592)	14,515
Other receivables	411,040	(429,360)
Other receivables-related parties	(246,228)	1,680
Inventories, net	195,330	(192,724)
Prepayments	(6,262)	107,561
Other current assets	(806)	(1,864)
Long-term receivable	346,213	1,173,814
Notes payable	(301,657)	(449,564)
Accounts payable	(326,753)	(447,220)
Accounts payable - related parties	23,542	(28,841)
Other payables	(36,085)	573,552
Other payables - related parties	(10,235)	10,636
Other current liabilities	33,377	38,924
Advanced receipts	(13,154)	2,451
Net defined liabilities, non-current	(40,846)	(48,180)
Other non-current liabilities	26,670	1,835
Cash inflow generated from operations	4,628,274	3,929,057
Interest received	28,351	14,145
Interest paid	(115,130)	(72,410)
Income tax paid	(757,162)	(891,891)
Net cash provided by operating activities	3,784,333	2,978,901
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	7,176	-
Acquisition of financial assets at fair value through other comprehensive income	(16,183)	(28,788)
Increase in financial assets at amortized cost, current	(35,136)	(4,403)
Increase in financial assets at amortized cost, non-current	(5,298)	(48,135)
Acquisition of investments accounted for under the equity method	(15,000)	-
Proceeds from disposal of subsidiaries	890,226	83,639
Amount of derecognition of cash and cash equivalents from disposal of subsidiary	(387,160)	-
Proceeds from disposal of property, plant and equipment	424,425	132,086
Acquisition of property, plant and equipment	(2,290,774)	(3,156,906)
Disposal of non-current Assets held for sale	-	2,316,496
Disposal of investment property	1,052	50
Acquisition of investment property	(269)	(2,110,880)
Disposal of intangible assets	-	92
Acquisition of intangible assets	(3,185)	(3,132)
Increase in prepayment for equipment	(354,550)	(76,018)
Increase in refundable deposits	(11,817)	(12,855)
Decrease in other non-current assets	464	92
Dividends received	65,758	69,629
Net cash used in investing activities	(1,730,271)	(2,839,033)
Cash flows from financing activities:		
Increase in short-term loans	60,000	1,745,000
Increase in short-term notes and bills payable	199,961	-
Increase in long-term loans	3,762,892	3,540,000
Decrease in long-term loans	(2,824,250)	(2,352,750)
Increase in long-term notes and bills payable	135	1,903,005
Decrease in long-term notes payable	(600,000)	(3,100,000)
Decrease in guarantee deposits	(4,049)	(12,496)
Cash payments for the principal portion of the lease liability	(106,361)	(198,752)
Cash dividends paid	(2,360,000)	(2,124,000)
Donated surplus	7,736	591
Changes in non-controlling interests	(3,360)	(259)
Net cash used in financing activities	(1,867,296)	(599,661)
Effect of exchange rate changes on cash and cash equivalents	14,502	48,211
Net increase (decrease) in cash and cash equivalents	201,268	(411,582)
Cash and cash equivalents at beginning of year	2,106,579	2,518,161
Cash and cash equivalents at end of year	\$2,307,847	\$2,106,579

The accompanying notes are an integral part of the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Stated)

1. History and Organization

GOLDSUN BUILDING MATERIALS CO., LTD. (“the Company”) was incorporated under the laws of the Republic of China (“R.O.C.”) in November 1954. The Company is engaged mainly in the production and sales pre-mixed concrete and building rental. In March 1978, the Company listed its shares of stock on the Taiwan Stock Exchange (“TWSE”). The Company’s registered office and the main business location is at 7F, No.8, Xinhua 1st Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)

2. Date and Procedures of Authorization of Financial Statements for Issue

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the years ended December 31, 2023 and 2022 were authorized for issue by the Board of Director’s meeting on February 29, 2024.

3. Newly Issued or Revised Standards and Interpretations

- (1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are endorsed by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. There were not newly adopted or revised standards and interpretations that have material impact on the Group’s financial position and performance.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2024. The standards and interpretations have no material impact on The Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, either not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

- (a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As The Group is still currently determining the potential impact of the standards and interpretations listed above except for (b), it is not practicable to estimate their impact on the Group at this point in time.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- B. exposure, or rights, to variable returns from its involvement with the investee, and
- C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A. the contractual arrangement with the other vote holders of the investee
- B. rights arising from other contractual arrangements
- C. the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which The Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- B. derecognizes the carrying amount of any non-controlling interest.
- C. recognizes the fair value of the consideration received.
- D. recognizes the fair value of any investment retained.
- E. recognizes any surplus or deficit in profit or loss; and
- F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)	
			December 31, 2023	December 31, 2022
The Company	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Construction of civil and architectural construction projects	100%	100%
The Company	REI SHIN CONSTRUCTION CO., LTD	Real estate rental	100%	100%
The Company	REIXIN ASSET MANAGEMENT CO., LTD.	Real estate rental	100%	100%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)	
			December 31, 2023	December 31, 2022
The Company	WELLPOOL CO., LTD.	Sales of calcium silicate board and other boards	51%	51%
The Company	GOLDSUN NIHON CEMENT CO., LTD.	Cement import and sale	60% (Note 1)	59%
The Company	EASE GREAT INVESTMENTS LTD. (Note 2)	Investment holding	100%	100%
The Company	TAIPEI PORT TERMINAL COMPANY LIMITED	International trade, warehousing and tally packaging	100%	100%
The Company	HUA YA DEVELOPMENT CO., LTD. (Note 3&4)	Hotel operator	41%	41%
The Company	JIN SHUN MARITIME LTD.	Shipping	-% (Note 5)	100%
The Company	YUAN SHUN MARITIME LTD.	Shipping	100%	100%
The Company	JING SHUN MARITIME LTD.	Shipping	100%	100%
The Company	FENG SHUN MARITIME LTD.	Shipping	100%	100%
The Company	HUI SHUN MARITIME LTD. (Note 6)	Shipping	100%	100%
The Company	GIMPO MARINE CO., LTD.	Shipping	100%	100%
The Company	TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Investment	100%	100%
The Company	GOYU BUILDING MATERIALS CO., LTD.	Sales of building materials	70%	70%
The Company	LAKE VERNICIA DEVELOPMENT COMPANY	Leisure frame management	100%	100%
The Company	GALC Inc.	Interior decoration and	70%	70%
WELLPOOL CO., LTD.	GAPE-GOLDSUN CORPORATION	Sales of calcium silicate board and other boards	100%	100%
EASE GREAT INVESTMENTS LTD. (Samoa)	GOLDSUN INTERNATIONAL DEVELOPMENT CORP. (GOLDSUN INC., Cayman)	Investment holding	100%	100%
EASE GREAT INVESTMENTS LTD. (Samoa)	GREAT SMART LTD.(Cayman)	Investment holding	100%	100%
GOLDSUN INC., Cayman	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Production and sales of pre-mixed concrete and cement	100%	100%
GOLDSUN INC., Cayman	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Production and sales of pre-mixed concrete and cement	100%	100%
GOLDSUN INC., Cayman	GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Production and sales of pre-mixed concrete and cement	-% (Note 7)	100%
GOLDSUN INC., Cayman	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Production and sales of pre-mixed concrete and cement	100%	100%

Note1: The Group acquired 150,000 shares and 90,000 shares of the issued shares of Goldsun Nihon Cement Co., Ltd. on April 24 and July 24, 2023, and as such the shareholding percentage increased to 60%. The transaction is detailed in Note 6 (27).

Note2: In June 2023, EASE GREAT INVESTMENT LTD. conducted a capital reduction and returned US\$28,200 thousand.

Note3: The Company determined that even it has less than 50% of the voting rights, it has control over Hua Ya Development Co., Ltd. due to the contractual agreement with other shareholders of Hua Ya Development Co., Ltd., which gives the Company the right to exercise its voting rights. As a result, the Company obtained a majority of the voting rights to give it the control over Hua Ya Development Co., Ltd.

Note4: Hua Ya Development Co., Ltd. issued 8,800 thousand new shares on March 31, 2022. The Group acquired the new shares, and as such the shareholding percentage increased to 41%. Please ref to Note 6(27) for more details.

Note5: On November 10, 2023, JIN SHUN MARITIME LTD. has undergone dissolution and liquidation. Accordingly, the Company has lost control over it and has reclassified it as a financial asset measured at fair value through profit or loss, amounting to NT\$441,226 thousand. The transaction is detailed in Note 6 (27).

Note6: In 2022, the Group made an additional investment of US\$9,000 thousand in HUI SHUN MARITIME LIMITED.

Note7: The Group has disposed of its subsidiary, Goldsun Concrete (Changshu) Co., Ltd. in March 2023. The transaction is detailed in Note 6 (27).

Please refer to Note 8 for more details on stocks of subsidiary under pledge.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also The Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and

liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 39 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

Each foreign operation of the Company determines its own functional currency and items included in the financial statements of each foreign operation are measured at that functional currency. While preparing the Company's financial statements, the assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The partial disposals are accounted for as disposals when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation and when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Group holds the asset primarily for the purpose of trading
- C. The Group expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle
- B. The Group holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid

investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including fixed-term deposits that have maturities of 3 months from the date of acquisition).

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the delivery date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- a. the Company's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- a. assets in order to collect contractual cash flows and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by

applying the effective interest rate to the gross carrying amount of a financial asset except for:

- a. Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss or retained earnings as a reclassification adjustment.
- c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- c. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- a. The rights to receive cash flows from the asset have expired
- b. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- c. The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or to be received including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss (for debt instruments) or directly in retained earnings (for equity instruments).

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the Company allocates the previous carrying amount of the larger financial asset between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. Any cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts. The difference between the carrying amount allocated to the part derecognized

and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated that had been recognized in other comprehensive income, is recognized in profit or loss or directly in retained earnings.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the

subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- a. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.
- b. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- a. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- b. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost based on a weighted average cost basis.

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the

statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(12) Investments accounted for under the equity method

The Group's investment in its associate is accounted for under the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorated basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting

period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are

satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery and equipment	2~10 years
Transportation equipment	2~10 years
Office equipment	5 years
Right-of-use assets	2~50 years
Lease improvement	2~25 years
Other equipment	3~5 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30~55 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is

expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Properties are transferred to or from investment properties due to actual use.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

For contracts entered, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the

following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. Cost of right-of-use asset contains:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment

annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Concession

The Group construct The Taipei Port Second Bulk Cargo Storage and Transportation Center and obtain the right to charge users under the contract “Bulk & General Cargo Terminal No.2 of Taipei Port building and operating”. The intangible asset method is applicable IFRIC 12 “Service Concession Arrangements”. Construction cost invested during the construction period is classified as concession cost. The concession cost started to be amortized based on the Straight-line Method during the operation period ,since the completion of The Taipei Port Second Bulk Cargo Storage and Transportation Center and start to operate concession business. The concessions and accumulated amortization balance will be written off when the contract is terminated, or the concession period expires.

A summary of the policies applied to the Group’s intangible assets is as follows:

	Concession	Computer software
Useful lives	Finite	Finite
Amortization method used	Amortized on a straight-line basis over the specified period of the operating and maintaining.	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether

there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Maintenance warranties

A provision is recognized for expected warranty claims on construction, based on past experience, management's judgement and other known factors.

(19) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(20) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Group sells merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is pre-mixed concrete and cement. Revenue is recognized based on the consideration stated in the contract.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 30 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. The other part of the accounts receivable is the contract between the Group and the customer to deliver the promised goods or services to the customer, but the payment period is more than one year according to the contract. Therefore, the Group adjusts the transaction price for the time value of money. However, some of the contracts are subject to partial consideration for the customers before the transfer of the goods. The Group is obliged to undertake the subsequent transfer of the goods and is therefore recognized as a contract liability.

(21) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(22) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be

received, and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(23) Post-employment benefits

All regular employees of the Group and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Group and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Group and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(24) Share-based payment transactions

The cost of equity-settled transactions between the Group and employees is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(25) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit

or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed

(26) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired, and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the

identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Group's accounting policies, management made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Investment properties

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

B. Operating lease commitment-Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, and accounts for the contracts as operating leases.

C. De facto control without a majority of the voting rights in subsidiaries

The Group does not have majority of the voting rights in certain subsidiaries. However, after taking into consideration factors such as absolute size of the Group's holding, relative size of the other shareholdings, how widely spread are the remaining shareholders, contractual arrangements between shareholders, potential voting rights, etc., the Group reached the conclusion that it has de facto control over these subsidiaries. Please refer to Note 4(3) for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

C. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases. Please refer to Note 6 for more details.

D. Accounts receivables-estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

E. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for disclosure on unrecognized deferred tax assets of the Group as of December 31, 2023 and 2022.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	As of December 31,	
	2023	2022
Cash on hand and petty cash	\$5,786	\$5,657
Checking accounts and demand deposits	1,577,242	1,614,480
Time deposits	645,877	486,442
Cash equivalents (Note)	78,942	-
Total	<u>\$2,307,847</u>	<u>\$2,106,579</u>

Note: Cash equivalents is bank's short-term bill that have maturity within 3 months.

(2) Financial assets at fair value through profit or loss, current

	As of December 31,	
	2023	2022
Mandatorily measured at fair value through profit or loss-Unlisted company's stocks	<u>\$441,226</u>	<u>\$-</u>

Please refer to Note 6(27) for more details.

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2023	2022
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies' stocks	\$1,640,237	\$1,460,684
Unlisted companies' stocks	304,436	440,126
Total	<u>\$1,944,673</u>	<u>\$1,900,810</u>
Current	\$695,825	\$666,402
Non-current	1,248,848	1,234,408
Total	<u>\$1,944,673</u>	<u>\$1,900,810</u>

Please refer to Note 8 for more details on financial assets at fair value through other comprehensive income under pledge.

In consideration of the Group's investment strategy, the Group sold, and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2023 and 2022 are as follow:

	For the years ended December 31,	
	2023	2022
The fair value of the investments at the date of derecognition	\$6,800	\$-
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	(5)	8,643

(4) Financial assets measured at amortized cost

	As of December 31,	
	2023	2022
Time deposit	\$211,886	\$171,975
Restricted cash - demand deposits	66,956	66,433
Total	<u>\$278,842</u>	<u>\$238,408</u>
Current	\$199,811	\$164,675
Non-current	79,031	73,733
Total	<u>\$278,842</u>	<u>\$238,408</u>

Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(5) Notes receivable

	As of December 31,	
	2023	2022
Notes receivables arising from operating activities	\$1,139,627	\$1,417,653
Less: loss allowance	(1,121)	(844)
Total	<u>\$1,138,506</u>	<u>\$1,416,809</u>

Notes receivables were not pledged.

The Group adopted IFRS 9 for impairment assessment. Please refer to Note 6(20) for more details on loss allowance and Note 12 for more details on credit risk

(6) Accounts receivable, accounts receivable - related parties, and long - term receivable

Accounts receivable and accounts receivable - related parties

	As of December 31,	
	2023	2022
Accounts receivable	\$6,655,085	\$6,554,197
Less: loss allowance	(110,706)	(111,109)
Subtotal	6,544,379	6,443,088
Accounts receivable - related parties	27,598	13,006
Less: loss allowance	-	-
Subtotal	27,598	13,006
Total	<u>\$6,571,977</u>	<u>\$6,456,094</u>

Long-term receivable

	As of December 31,	
	2023	2022
Construction retainage receivable	\$728,343	\$1,040,088
Overdue receivables	251,566	289,221
Subtotal	979,909	1,329,309
Less: loss allowance	(75,467)	(84,149)
Total	<u>\$904,442</u>	<u>\$1,245,160</u>

Accounts receivable and long - term receivable were not pledged.

Accounts receivables are generally on 30-120 day terms. The total carrying amount as of December 31, 2023 and 2022 were NT\$7,662,592 thousand and NT\$7,896,512 thousand, respectively. Please refer to Note 6(20) for more details on loss allowance of accounts receivable for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	As of December 31,	
	2023	2022
Raw materials	\$529,145	\$450,236
Building for sale	9,689	79,872
Land of construction	-	210,368
Work in process	19,683	32,602
Finished goods	87,993	70,789
Total	<u>\$646,510</u>	<u>\$843,867</u>

For the year ended December 31, 2023, the Group recognized the cost of inventories in expense amounted to NT\$12,668,794 thousand, including write-down of inventories amounted to NT\$4,765 thousand.

For the year ended December 31, 2022, the Group recognized the cost of inventories in expense amounted to NT\$13,604,106 thousand, including gain from price recovery of inventories amount to NT\$2,009 thousand.

In 2022, the Group generated the gain from price recovery of inventories was resulted from destocking long-aged inventories in 2022.

The buildings for sale amounted to NT\$70,183 thousand and land of construction amounted to NT\$210,368 thousand were reclassified to investment property in 2023 because of being for rent in the future.

Please refer to Note 8 for more details on land of construction under pledge.

(8) Investments accounted for under the equity method

The following table lists the investments accounted for using the equity method of the Group:

Investees	As of December 31,			
	2023		2022	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
LIANYUAN CONCH CEMENT CO., LTD.	\$827,301	20%	\$844,831	20%
RAIXIN QUALITY PRODUCTS LTD.(Note)	19,189	42%	15,738	39%
Total	<u>\$846,490</u>		<u>\$860,569</u>	

The Group's investments listed above are not individually material. The aggregate carrying amount of the Group's investments in associates are NT\$846,490 thousand and NT\$860,569 thousand as of December 31, 2023 and 2022, respectively. The aggregate financial information is as follows:

	For the years ended December 31,	
	2023	2022
Profit or (loss) from continuing operations	\$(13,417)	\$11,515
Other comprehensive income (post-tax)	-	-
Total comprehensive income	\$(13,417)	\$11,515

The associates had no contingent liabilities or capital commitments and weren't pledged as of December 31, 2023 and 2022.

Note: RAIXIN QUALITY PRODUCTS LTD. held a capital injection on April 10, 2023. The Company acquired 1,500,000 shares unproportionally to its original ownership interest, therefore the Company's holding percentage increased to 42%.

(9) Property, plant and equipment

Owner occupied property, plant and equipment

							Construction in progress and Machinery and Lease assets and equipment awaiting examination Other equipment		
	Land	Buildings	equipment	Office equipment	Transportation equipment	improvements			Total
Cost:									
As of January 1, 2023	\$5,373,942	\$1,950,609	\$2,954,504	\$27,002	\$2,602,245	\$162,902	\$3,521,245	\$229,479	\$16,821,928
Additions	35,588	43,841	152,718	1,849	116,952	12,308	1,865,445	62,073	2,290,774
Disposals	(9,767)	(70,240)	(161,357)	(2,446)	(69,876)	(6,069)	-	(9,853)	(329,608)
Disposal of subsidiaries	-	(142,964)	(114,553)	(1,418)	(603)	-	-	(2,970)	(262,508)
Transfers	-	3,375	33,784	-	-	741	(53,967)	-	(16,067)
Exchange effect	-	(3,547)	(2,596)	(321)	(355)	-	-	(118)	(6,937)
As of December 31, 2023	\$5,399,763	\$1,781,074	\$2,862,500	\$24,666	\$2,648,363	\$169,882	\$5,332,723	\$278,611	\$18,497,582
As of January 1, 2022	\$5,421,938	\$2,030,793	\$2,956,854	\$24,214	\$2,375,069	\$146,372	\$1,409,416	\$194,602	\$14,559,258
Additions	8,949	17,557	149,417	4,172	810,185	15,467	2,107,441	43,718	3,156,906
Disposals	(1,909)	(86,369)	(184,269)	(1,868)	(742,868)	(4,050)	-	(9,153)	(1,030,486)
Transfers	(55,036)	(17,173)	26,041	-	38,490	5,350	4,388	124	2,184
Exchange effect	-	5,801	6,461	484	121,369	(237)	-	188	134,066
As of December 31, 2022	\$5,373,942	\$1,950,609	\$2,954,504	\$27,002	\$2,602,245	\$162,902	\$3,521,245	\$229,479	\$16,821,928

						Construction in progress and Machinery and Lease assets and equipment awaiting Other examination equipment		
	Land	Buildings	equipment	equipment	Transportation equipment	improvements		Total
Depreciation:								
As of January 1, 2023	\$-	\$1,036,286	\$2,153,789	\$18,525	\$873,971	\$126,972	\$-	\$153,240 \$4,362,783
Depreciation	-	69,997	149,735	2,338	154,229	10,246	-	20,828 407,373
Disposals	-	(32,083)	(156,963)	(2,024)	(65,721)	(5,075)	-	(9,802) (271,668)
Disposal of subsidiaries		(89,832)	(81,103)	(928)	(530)	-	-	(1,617) (174,010)
Transfers	-	-	-	-	-	-	-	- -
Exchange effect	-	(2,175)	(2,078)	(212)	(815)	-	-	(82) (5,362)
As of December 31, 2023	\$-	\$982,193	\$2,063,380	\$17,699	\$961,134	\$132,143	\$-	\$162,567 \$4,319,116
As of January 1, 2022	\$-	\$1,042,777	\$2,190,232	\$17,727	\$943,445	\$123,274	\$-	\$148,194 \$4,465,649
Depreciation	-	76,439	130,870	2,116	176,530	7,985	-	13,817 407,757
Disposals	-	(86,145)	(171,185)	(1,733)	(275,463)	(4,050)	-	(8,881) (547,457)
Transfers	-	-	-	-	-	-	-	- -
Exchange effect	-	3,215	3,872	415	29,459	(237)	-	110 36,834
As of December 31, 2022	\$-	\$1,036,286	\$2,153,789	\$18,525	\$873,971	\$126,972	\$-	\$153,240 \$4,362,783

						Construction in progress and Machinery and Lease assets and equipment awaiting Other examination equipment		
	Land	Buildings	equipment	equipment	Transportation equipment	improvements		Total
Impairment:								
As of January 1, 2023	\$215,335	\$322	\$987	\$-	\$-	\$-	\$-	\$268 \$216,912
Impairment	-	-	-	-	-	-	-	- -
Disposals	-	-	-	-	-	-	-	- -
Exchange effect	-	-	-	-	-	-	-	- -
As of December 31, 2023	\$215,335	\$322	\$987	\$-	\$-	\$-	\$-	\$268 \$216,912
As of January 1, 2022	\$215,335	\$322	\$987	\$-	\$27,680	\$-	\$-	\$268 \$244,592
Impairment	-	-	-	-	-	-	-	- -
Disposals	-	-	-	-	(27,680)	-	-	- (27,680)
Exchange effect	-	-	-	-	-	-	-	- -
As of December 31, 2022	\$215,335	\$322	\$987	\$-	\$-	\$-	\$-	\$268 \$216,912

Net carrying amount as of:									
December 31, 2023	\$5,184,428	\$798,559	\$798,133	\$6,967	\$1,687,229	\$37,739	\$5,332,723	\$115,776	\$13,961,554
December 31, 2022	\$5,158,607	\$914,001	\$799,728	\$8,477	\$1,728,274	\$35,930	\$3,521,245	\$75,971	\$12,242,233

The Group's expenditures incurred during the construction of the "Nangang Development Project" were recognized as construction in progress. The balances as of December 31, 2023 and December 31, 2022, were NT\$ 4,271,665 thousand and NT\$ 2,827,413 thousand, respectively.

The Group's subsidiary, Huaya Development Co., Ltd., incurred expenditures during the planning and construction phase of the "Seaview Business Hotel" were recognized as construction in progress. The balances as of December 31, 2023 and December 31, 2022 were NT\$ 188,148 thousand and NT\$ 153,641 thousand, respectively.

The capitalized amounts of interest on construction in progress were NT\$43,889 thousand and NT\$0 thousand in 2023 and 2022, respectively. The related interest rates range were 1.59%~2.45% and 0% in 2023 and 2022, respectively.

Components of building that have different useful lives are main building structure, equipment of pre-mixed concrete, air conditioning units and elevators, which are depreciated over 55 years, 5~20 years, 8 years and 15 years, respectively.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

Part of the lands were held temporarily under third parties' names because of regulatory requirements. The relevant security procedures have been fully implemented.

(10) Investment property

	Land	Buildings	Total
Cost:			
As of January 1, 2023	\$4,923,560	\$1,154,775	\$6,078,335
Additions from acquisitions	-	269	269
Disposals	(16)	-	(16)
Transfers	210,368	80,624	290,992
As of December 31, 2023	\$5,133,912	\$1,235,668	\$6,369,580
As of January 1, 2022	\$2,757,845	\$1,142,561	\$3,900,406
Additions from acquisitions	2,096,615	14,265	2,110,880
Disposals	-	(2,051)	(2,051)
Transfers	69,100	-	69,100
As of December 31, 2022	\$4,923,560	\$1,154,775	\$6,078,335
Depreciation:			
As of January 1, 2023	\$-	\$553,000	\$553,000
Depreciation	-	38,790	38,790
As of December 31, 2023	\$-	\$591,790	\$591,790
As of January 1, 2022	\$-	\$515,119	\$515,119
Depreciation	-	39,621	39,621
Disposals	-	(1,740)	(1,740)
As of December 31, 2022	\$-	\$553,000	\$553,000

	Land	Buildings	Total
Impairment:			
As of January 1, 2023	\$-	\$32,974	\$32,974
Transfers	-	10,408	10,408
As of December 31, 2023	\$-	\$43,382	\$43,382
As of January 1, 2022	\$-	\$12,954	\$12,954
Impairment	-	20,020	20,020
As of December 31, 2022	\$-	\$32,974	\$32,974
Net carrying amount as of:			
December 31, 2023	\$5,133,912	\$600,496	\$5,734,408
December 31, 2022	\$4,923,560	\$568,801	\$5,492,361

	For the years ended	
	December 31,	
	2023	2022
Rental income from investment property	\$119,701	\$140,680
Less: Direct operating expense generated from rental		
income of investment property	(75,257)	(72,327)
Total	\$44,444	\$68,353

Please refer to Note 8 for more details on investment property under pledge.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT\$12,091,441 thousand as of December 31, 2023. The fair value NT\$66,951 thousand has been determined based on valuations performed by an independent valuer. The valuation method used are comparison approach and income approach. The remaining NT\$12,024,490 thousand was assessed by the Group. The valuation method used is land development analysis approach which supporting by market evidence and current land value.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT\$12,077,434 thousand as of December 31, 2022. The fair value NT\$65,926 thousand has been determined based on valuations performed by an independent valuer. The valuation method used are comparison approach and income approach. The remaining NT\$12,011,508 thousand was assessed by the

Group. The valuation method used is land development analysis approach which supporting by market evidence and current land value.

Part of the lands in investment property were held temporarily under third parties' names because of regulatory requirements. The relevant security procedures have been fully implemented.

(11) Intangible assets

	Concession	Computer software	Total
Cost:			
As of January 1, 2023	\$4,293,685	\$57,148	\$4,350,833
Addition-acquired separately	-	3,185	3,185
Exchange effect	-	(18)	(18)
As of December 31, 2023	\$4,293,685	\$60,315	\$4,354,000
As of January 1, 2022	\$4,293,683	\$53,133	\$4,346,816
Addition-acquired separately	-	3,132	3,132
Disposals	-	(343)	(343)
Transfers	-	1,211	1,211
Exchange effect	2	15	17
As of December 31, 2022	\$4,293,685	\$57,148	\$4,350,833
Amortization:			
As of January 1, 2023	\$624,103	\$45,864	\$669,967
Amortization	102,329	6,749	109,078
Exchange effect	-	(18)	(18)
As of December 31, 2023	\$726,432	\$52,595	\$779,027
As of January 1, 2022	\$521,257	\$38,538	\$559,795
Amortization	102,844	7,564	110,408
Disposals	-	(251)	(251)
Exchange effect	2	13	15
As of December 31, 2022	\$624,103	\$45,864	\$669,967
Net carrying amount as of:			
December 31, 2023	\$3,567,253	\$7,720	\$3,574,973
December 31, 2022	\$3,669,582	\$11,284	\$3,680,866

Recognized as amortized amount of intangible assets are as follows.

	2023	2022
Operating costs	\$103,517	\$104,007
Operating expenses	\$5,561	\$6,401

(12) Short-term loans

	As of December 31,	
	2023	2022
Unsecured bank loans	\$805,000	\$973,000
Secured bank loans	1,900,000	1,672,000
Total	\$2,705,000	\$2,645,000
Interest rates		
Unsecured bank loans	1.70~1.88%	1.48~1.52%
Secured bank loans	1.71~1.92%	1.48~2%

The Group's unused lines of credits (including short-term loans and long-term loans) amounted to NT\$11,147,668 thousand and NT\$11,726,500 thousand as of December 31, 2023 and 2022, respectively.

Please refer to Note 8 for more details on assets pledged as security for loans.

(13) Short-term notes and bills payable

	2023.12.31	2022.12.31
Issued with the guarantee of a financial institution	\$200,000	\$-
Less: Unamortized discount	(39)	-
Net amount	\$199,961	\$-
Interest rates	1.52%	-

Please refer to Note 8 for more details on assets pledged as security for issuing commercial paper.

(14) Long-term loans

Details of long-term loans as of December 31, 2023 and 2022 are as follows:

Lenders	As of December 31, 2023	Maturity date and terms of repayment
<u>Secured long-term loan</u>		
Syndicated loans from Bank of Taiwan Cooperative (Note 1)	\$1,577,000	The principal is repaid every half a year starting October 11, 2022. Instalments are made between October 11, 2022 and April 11, 2032, covering NT\$49,000 thousand of the principal in each payment. The last payment will be made on October 11, 2032 to pay off the principal and interest

Lenders	As of December 31, 2023	Maturity date and terms of repayment
Bank of Taiwan	2,000,000	Effective on January 12, 2024, principal payable semi-annually, A total of 8 instalments and each payment will be NT\$250,000 thousand, interest paid every month.
Bank of CHB	300,000	Effective on December 27, 2023 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December, 2026.
<u>Unsecured long-term loan</u>		
Bank of Hua Nan	300,000	Effective on November 29, 2023 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on November 29, 2026.
East Asia (Note2)	300,000	Effective on October 30, 2023 (the first drawdown date), the first installment shall be made after the first 12 months, and every six months thereafter. The principal shall be repaid in five equal installments of 20% of the principal.
Bank of CHB	100,000	Effective on December 27, 2023 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December, 2026.
Bank of CHB	188,000	Effective on March 31, 2023 (the grant day). The grace period is three years. The principal shall be repaid monthly after the Grace Period.
Bank of Mega	400,000	Effective on July 12, 2023 (the first drawdown date), the first installment shall be made after the first 18 months, and every three months thereafter.
Bank of Land	150,222	Effective on April 20, 2023 (the grant day). The grace period is three years. The principal shall be repaid monthly after the Grace Period.
Bank of Hua Nan	314,670	Effective on January 30, 2023 (the grant day). The grace period is three years. The principal shall be repaid monthly after the Grace Period.
Subtotal	5,629,892	
Less: Organization cost	(3,544)	
	5,626,348	
Current portion	(658,000)	
Non-current portion	\$4,968,348	
Interest rates	1.3%~2.185%	

Lenders	As of December 31, 2022	Maturity date and terms of repayment
<u>Secured long-term loan</u>		
Syndicated loans from Bank of Taiwan Cooperative (Note 1)	\$1,675,000	The principal is repaid every half a year starting October 11, 2022. Instalments are made between October 11, 2022 and April 11, 2032, covering NT\$49,000 thousand of the principal in each payment. The last payment will be made on October 11, 2032 to pay off the principal and interest
Bank of Taiwan	1,420,000	Effective on January 12, 2024, principal payable semi-annually, A total of 8 instalments and each payment will be NT\$250,000 thousand, interest paid every month.
KGI Bank	190,000	Effective on December 1, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December 1, 2023.
Shanghai Bank	16,250	Effective on January 28, 2021(the grant day). The grace period is one year. The principal shall be repaid by quarterly basis.
<u>Unsecured long-term loan</u>		
First Commercial Bank	770,000	Effective on November 29, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on Nov 29, 2024.
East Asia Bank (Note2)	210,000	Effective on August 18, 2019 (the first drawdown). Principal payable semi-annually after 12 months. A total of 5 instalments of which were amortized at an average of 20% of the principal.
KGI Bank	410,000	Effective on December 1, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December 1, 2023.
Subtotal	4,691,250	
Less: Organization cost	(3,949)	
	4,687,301	
Current portion	(920,750)	
Non-current portion	\$3,766,551	
Interest rates	1.545%~2.2%	

Note 1: In October 2011, the Company's subsidiary, TAIPEI PORT TERMINAL COMPANY LIMITED, entered into a twenty-year syndicated loan in a total amount of NT\$2,700,000 thousand from multiple banks and Taiwan Cooperative Bank as the leading bank. Land use rights and part of property, plant and equipment, which acquired

under the contract 「Bulk & General Cargo Terminal No.2 of Taipei Port building and operating」, were pledged as collateral for the syndicated loan. When the construction of terminal was completed, the Company need to observe two financial limited terms in the next year of the date of commencement of operation,

- a) Ratio of Liability to Equity shall not exceed 200%;
- b) Interest Coverage Ratio may not be less than two times.

Above financial limited terms need to be tested by bank by yearly. If the financial limited term was breached, the Company need to improve the financial structure in next year. If the financial structure does not be improved, the Company should pay to bank the compensation fee which 0.05% of the outstanding principal balance.

As of December 31, 2023, TAIPEI PORT TERMINAL COMPANY LIMITED did not breach the covenants above.

Note 2: Compliance with loan covenants

- A. The Company's shares need to be listed on the Taiwan Stock Exchange.
- B. The deputy chairman of the Board, Lin Ming-Sheng and his family should keep the right of ultimate control on the Company.
- C. During the effective period of the syndicated credit agreement, following financial ratio at the end of each year must be maintained at required level.
 - (a) Debt ratios (Total liabilities + Total assets) : no higher than 70%
 - (b) Total equity (Total assets – Total liabilities) : no lower than NT\$13 billion
 - (c) Current ratios (Total current assets / Total current liabilities) : no lower than 100%
 - (d) Interest coverage ratios [(Net profit before tax + Depreciation + Amortization + Interest expense) / Interest expense] : maintained at 200%

As of December 31, 2023, the Company did not breach any such covenants above.

The Group's unused long-term lines of credits was calculated with short-term lines of credits as of December 31, 2023 and 2022, respectively. Please refer to Note 6(12).

Please refer to Note 8 for more details on assets pledged as security for long-term loans.

(15) Long-term notes payable

	2023	2022
Long-term notes payable	\$-	\$600,000
Less: Unamortised discount	-	(135)
Total	\$-	\$599,865
Interest rates	-%	1.34%

The long-term notes and bills payable with a credit line of NT\$2,700,000 thousand is a

commercial promissory note signed on April 10, 2020 with the Bank of O-bank for a two-year period during March 22, 2022 to March 21, 2024, which will be repaid at the expiration of the contract.

Please refer to Note 8 for more details on assets pledged as security for long-term notes and bills payable.

(16) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 are NT\$24,091 thousand and NT\$23,116 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one

appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$43,685 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The average duration of the defined benefits plan obligation was 10 and 11 years as of December 31, 2023 and 2022, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022:

	For the years ended December 31,	
	2023	2022
Current period service costs	\$7,867	\$8,920
Interest expense (income) of net defined benefit liabilities (assets)	1,575	1,187
Total	<u>\$9,442</u>	<u>\$10,107</u>

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of December 31,		
	2023	2022	2021
Defined benefit obligation	\$472,820	\$492,593	\$498,399
Plan assets at fair value	<u>(399,585)</u>	<u>(376,104)</u>	<u>(331,118)</u>
Other non-current liabilities - Net defined benefit liabilities recognized on the consolidated balance sheets	<u>\$73,235</u>	<u>\$116,489</u>	<u>\$167,281</u>

Reconciliation of liability of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2022	\$498,399	\$(331,118)	\$167,281
Current period service costs	8,920	-	8,920
Net interest expense (income)	3,536	(2,349)	1,187
Subtotal	12,456	(2,349)	10,107
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	290	-	290
Actuarial gains and losses arising from changes in financial assumptions	15,704	-	15,704
Experience adjustments	4,940	(24,199)	(19,259)
Subtotal	20,934	(24,199)	(3,265)
Payments from the plan	(39,196)	39,196	-
Contributions by employer	-	(57,634)	(57,634)
As of December 31, 2022	492,593	(376,104)	116,489
Current period service costs	7,867	-	7,867
Net interest expense (income)	6,668	(5,093)	1,575
Subtotal	14,535	(5,093)	9,442
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	1	-	1
Actuarial gains and losses arising from changes in financial assumptions	6,546	-	6,546
Experience adjustments	(8,272)	(1,212)	(9,484)
(Gain) losses on remeasurements of defined benefit plans	-	(73)	(73)
Subtotal	(1,725)	(1,285)	(3,010)
Payments from the plan	(32,583)	32,583	-
Contributions by employer	-	(49,686)	(49,686)
As of December 31, 2023	\$472,820	\$(399,585)	\$73,235

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2023	2022
Discount rate	1.22%~1.23%	0.7%~1.36%
Expected rate of salary increases	2.5%~3%	2%~3%

A sensitivity analysis for significant assumption as of December 31, 2023 and 2022 is, as shown below:

	Effect on the defined benefit obligation			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increases by 0.5%	\$-	\$(22,222)	\$-	\$(25,195)
Discount rate decreases by 0.5%	23,707	-	27,225	-
Future salary increases by 0.5%	23,174	-	26,651	-
Future salary decreases by 0.5%	-	(21,960)	-	(24,931)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(17) Provisions

	Maintenance warranties	Decommissioning, restoration and rehabilitation	Total
As of January 1, 2023	\$4,596	\$6,901	\$11,497
Arising during the period	-	-	-
Unused provision reversed	-	-	-
As of December 31, 2023	\$4,596	\$6,901	\$11,497
Current-Dec 31, 2023	\$-	\$-	\$-
Non-current-Dec 31, 2023	4,596	6,901	11,497
As of Dec 31, 2023	\$4,596	\$6,901	\$11,497
Current-Dec 31, 2022	\$-	\$-	\$-
Non-current-Dec 31, 2022	4,596	6,901	11,497
As of Dec 31, 2022	\$4,596	\$6,901	\$11,497

Maintenance warranties

A provision is recognized for expected warranty claims on construction, based on past experience, management's judgment and other known factors.

Decommissioning, restoration and rehabilitation

A provision has been recognized for decommissioning costs associated with a factory owned by the Group. The Group is committed to decommissioning the site as a result of the construction of the factory.

(18) Equity

A. Common stock

	As of December 31,	
	2023	2022
Authorized shares (thousand shares)	2,000,000	2,000,000
Authorized capital	\$20,000,000	\$20,000,000
Issued shares (thousand shares)	1,180,000	1,180,000
Issued capital	\$11,800,000	\$11,800,000

Each at a par value of NT\$10 and each share have one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2023	2022
Additional paid-in capital	\$551,242	\$551,242
Treasury share transactions	324,896	318,664
Changes in ownership interests in subsidiaries	187,615	187,550
Share-based payments	103,200	103,200
Donated surplus	21,602	13,808
Others	15,261	15,261
Total	\$1,203,816	\$1,189,725

According to the Company Act, the capital reserve shall not be used except for filling the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

As of December 31, 2023 and 2022, the Company's shares held by the subsidiaries were both NT\$4,789 thousand represented 3,116 thousand shares. These shares held by subsidiaries were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

D. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall be distributed as follows:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items a. and b. as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The Company's business environment is stable, the dividend policy shall be determined pursuant to factors such as the profitability and its future funding requirements, as well as stockholders' interest, balancing dividends and the Company's long-term financial planning. The payment of dividends shall not be less than 30% of the current year's net profit after tax minus the amount of loss compensation, statutory surplus reserve and special surplus reserve, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, a company needs distribute the legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to fill the deficit of a company. When a company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital, by issuing new shares or by distributing cash in proportion to the number of shares held by each shareholder.

When distributing the distributable profits, the Company shall make additional provision to the special reserve based on the difference between the balance of the special reserve and the net deduction of other equity in the first-time adoption of the International Financial Reporting Standards. When the net amount of other equity deductions is reversed subsequently, the reversal part shall reverse the special reserve to distribute profits.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

As of January 1, 2023, and 2022, special reserve set aside for the first-time adoption of T-IFRS amounted to NT\$1,874,430 thousand. The Company did not reverse special reserve to retained earnings for the period ended December 31, 2023 and 2022 as a result of the use, disposal of or reclassification of related assets. As of December 31, 2023, and 2022, special reserve set

aside for the first-time adoption of T-IFRS amounted to NT\$1,874,430 thousand.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on February 29, 2024 and May 29, 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$353,369	\$412,570	\$-	\$-
Common stock-cash dividend	2,478,000	2,360,000	2.10	2.00

Please refer to Note 6(22) for further details on employees' compensation and remuneration to directors and supervisors.

E. Non-controlling interests

	For the years ended December 31,	
	2023	2022
Beginning balance	\$1,131,575	\$1,115,589
Profit attributable to non-controlling interests	90,098	103,890
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Remeasurements of defined benefit plan	(312)	491
Donated surplus	(58)	321
Acquisition of additional interest in a subsidiary	(3,425)	(259)
Cash divided in subsidiaries	(94,156)	(88,457)
Ending balance	<u>\$1,123,722</u>	<u>\$1,131,575</u>

(19) Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Sale of goods revenue	\$20,080,624	\$20,281,965
Other operating revenue (Note)	840,806	856,135
Subtotal	20,921,430	21,138,100
Lease revenue	119,701	140,680
Total	<u>\$21,041,131</u>	<u>\$21,278,780</u>

Note: Including port revenue, shipment revenue and engineering revenue.

Analysis of revenue from contracts with customers during the year 2023 and 2022 is as follows:

A. Disaggregation of revenue

For the year ended December 31, 2023

	Taiwan Segment	Pre-mixed Concrete Segment in Mainland China	Other Segment	Total
Sale of goods	\$17,426,567	\$1,416,728	\$1,237,329	\$20,080,624
Others	396,835	-	443,971	840,806
Total	<u>\$17,823,402</u>	<u>\$1,416,728</u>	<u>\$1,681,300</u>	<u>\$20,921,430</u>
Timing of revenue recognition:				
At a point in time	<u>\$17,823,402</u>	<u>\$1,416,728</u>	<u>\$1,681,300</u>	<u>\$20,921,430</u>

For the year ended December 31, 2022

	Taiwan Segment	Pre-mixed Concrete Segment in Mainland China	Other Segment	Total
Sale of goods	\$16,658,534	\$2,432,478	\$1,190,953	\$20,281,965
Others	276,812	-	579,323	856,135
Total	<u>\$16,935,346</u>	<u>\$2,432,478</u>	<u>\$1,770,276</u>	<u>\$21,138,100</u>
Timing of revenue recognition:				
At a point in time	<u>\$16,935,346</u>	<u>\$2,432,478</u>	<u>\$1,770,276</u>	<u>\$21,138,100</u>

B. Contract assets and contract liabilities

	For the years ended December 31,	
	2023	2022
Contract liabilities (Advance receipts)	<u>\$21,468</u>	<u>\$27,682</u>

(20) Expected credit losses

	For the years ended December 31,	
	2023	2022
Operating expenses - Expected credit (gains) losses		
Notes receivable	\$277	\$(48)
Accounts receivable	8,619	29,213
Long-term receivable	(5,706)	6,462
Total	<u>\$3,190</u>	<u>\$35,627</u>

Please refer to Note 12 for more details on credit risk.

The credit risk for the Group's financial assets at fair value through other comprehensive income and financial assets measured at amortized cost as of December 31, 2023 and 2022 are assessed as low (the same as the assessment result on January 1, 2022). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses (loss ratio of 0 %).

The Group measures the loss allowance of its accounts receivables (including note receivables, accounts receivables and long-term receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2023 and 2022 is as follow:

A. The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

December 31, 2023

Group 1: The total carrying amount of notes receivable is NT\$1,139,627 thousand, its loss allowance amounting to NT\$1,121 thousand which is measured at expected credit loss ratio of 0~7%.

Group 2:	Ageing of transaction date					Total
	Not yet due	90-180 days	181-365 days	1 -2 years	>=2 years	
Gross carrying amount	\$4,667,471	\$942,025	\$252,487	\$456,628	\$364,072	\$6,682,683
Loss ratio	-%~1%	1%~8%	2%~9%	2%~10%	5%~11%	
Lifetime expected credit losses	1,268	45,633	13,123	26,151	24,531	110,706
Total	\$4,666,203	\$896,392	\$239,364	\$430,477	\$339,541	\$6,571,977

Group 3: The total carrying amount of overdue receivables is NT\$251,566 thousand, its loss allowance amounting to NT\$72,108 thousand. Due to the customer with higher credit risk, the loss allowance is measured at expected credit loss ratio of 20%~100%.

Group 4: Construction retainage receivable is money held back by a customer until the construction is completed, usually exceed one year and interest-free.

	Ageing of transaction date					Total
	Not yet due	90-180 days	181-365 days	1 -2 years	>=2 years	
Gross carrying amount	\$260,870	\$139,121	\$216,190	\$111,374	\$788	\$728,343
Loss ratio	-%	-%~1%	-%~1%	1~2%	2~3%	
Lifetime expected credit losses	-	1,006	1,449	880	24	3,359
Subtotal	\$260,870	\$138,115	\$214,741	\$110,494	\$764	\$724,984

December 31, 2022

Group 1: The total carrying amount of notes receivable is NT\$1,417,653 thousand, its loss allowance amounting to NT\$844 thousand which is measured at expected credit loss ratio of 0~7%.

Group 2:	Ageing of transaction date					Total
	Not yet due	90-180 days	181-365 days	1 -2 years	>=2 years	
Gross carrying amount	\$4,316,056	\$1,429,362	\$259,598	\$292,735	\$269,452	\$6,567,203
Loss ratio	-%~1%	1%~8%	2%~9%	2%~10%	5%~11%	
Lifetime expected credit losses	1,078	56,458	13,425	17,650	22,498	111,109
Total	\$4,314,978	\$1,372,904	\$246,173	\$275,085	\$246,954	\$6,456,094

Group 3: The total carrying amount of overdue receivables is NT\$289,221 thousand, its loss allowance amounting to NT\$78,141 thousand. Due to the customer with higher credit risk, the loss allowance is measured at expected credit loss ratio of 20%~100%.

Group 4: Construction retainage receivable is money held back by a customer until the construction is completed, usually exceed one year and interest-free.

	Ageing of transaction date					Total
	Not yet due	90-180 days	181-365 days	1 -2 years	>=2 years	
Gross carrying amount	\$433,416	\$166,807	\$173,158	\$227,872	\$38,835	\$1,040,088
Loss ratio	-%	-%~1%	-%~1%	1~2%	2~3%	
Lifetime expected credit losses	-	584	1,621	2,638	1,165	6,008
Subtotal	\$433,416	\$166,223	\$171,537	\$225,234	\$37,670	\$1,034,080

B. The movement in the loss allowance of notes receivable, accounts receivable and long-term receivable during the years ended December 31, 2023 and 2022 is as follows:

	Notes receivable	Accounts receivable	Long-term receivable
2023.1.1	\$844	\$111,109	\$84,149
Addition/(reversal) for the current period	277	8,619	(5,706)
Write off	-	(9,022)	(2,976)
2023.12.31	\$1,121	\$110,706	\$75,467

	Notes receivable	Accounts receivable	Long-term receivable
2022.1.1	\$892	\$87,077	\$110,553
Addition/(reversal) for the current period	(48)	29,213	6,462
Write off	-	(5,181)	(32,866)
2022.12.31	\$844	\$111,109	\$84,149

(21) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings and transportation equipment. The lease terms range from 2 to 50 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

a. Amount recognized in the balance sheet

i. Right-of-use Assets

The carrying amount of right-of-use assets

	As of December 31,	
	2023	2022
Land	\$700,993	\$552,682
Buildings	20,760	36,975
Machinery equipment	10,764	12,689
Transportation equipment	11,552	12,874
Total	<u>\$744,069</u>	<u>\$615,220</u>

During the years ended December 31, 2023 and 2022, the Group's additions to right-of-use assets amounting to NT\$295,402 thousand and NT\$209,588 thousand, respectively.

ii. Lease Liabilities

	As of December 31,	
	2023	2022
Lease Liabilities	<u>\$729,803</u>	<u>\$548,124</u>
Current	120,588	110,591
Noncurrent	609,215	437,533

During the years ended December 31, 2023 and 2022, please refer to Note 6(23)-D finance costs for interest on lease liabilities; please refer to Note 12(5) liquidity risk management for maturity analysis of lease liabilities.

b. Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	As of December 31,	
	2023	2022
Land	\$105,706	\$146,929
Buildings	16,215	16,824
Machinery equipment	1,925	551
Transportation equipment	5,594	2,139
Total	<u>\$129,440</u>	<u>\$166,443</u>

c. Income and costs relating to leasing activities

	For the years ended December 31,	
	2023	2022
The expenses relating to short-term leases	\$5,616	\$5,102
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	447	352

d. Cash outflows related to leasing activities

During the years ended December 31, 2023 and 2022, the Group's total cash outflows for leases amounting to NT\$112,424 thousand and NT\$204,206 thousand.

e. Other information related to leasing activities

Extension and termination options

Some of the Group's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Group as a lessor

Please refer to Note 6(10) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	As of December 31,	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$119,701	\$140,680

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2023 and 2022 are as follows:

	As of December 31,	
	2023	2022
Not later than one year	\$92,089	\$78,957
Later than one year but not later than two years	49,302	56,868
Later than two years but not later than three years	41,813	46,961
Later than three years but not later than four years	27,625	27,285
Later than four years but not later than five years	6,990	9,736
Later than five years	6,489	11,285
Total	\$224,308	\$231,092

- (22) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2023 and 2022:

	For the years ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$937,949	\$514,712	\$1,452,661	\$973,068	\$513,261	\$1,486,329
Labor and health insurance	46,689	32,791	79,480	46,086	31,800	77,886
Pension	21,802	11,731	33,533	21,788	11,435	33,223
Other employee benefits expense	17,189	8,567	25,756	19,168	8,999	28,167
Depreciation	525,184	50,419	575,603	568,551	45,270	613,821
Amortization	103,517	5,561	109,078	104,007	6,401	110,408

According to the Articles of Incorporation, 3% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been

covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, there to a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the year ended December 31, 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2023 both to be 3% of profit of the current year, recognized NT\$141,608 thousand as the employee's compensation and remuneration to directors and supervisors, respectively. A resolution was passed by the board of directors meeting on February 29, 2024 to distribute NT\$141,608 thousand in cash as employees' compensation and NT\$141,608 thousand as remuneration to directors, respectively, for 2023. There were no significant differences between the estimated amount and the actual distribution.

A resolution was passed by the board of directors meeting on February 24, 2023 to distribute NT\$157,939 thousand in cash as employees' compensation and NT\$157,939 thousand as remuneration to directors, respectively, for 2022. There were no significant differences between the approved amount and the recorded amount.

(23) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2023	2022
Cash in the bank	\$28,388	\$14,146
Others	-	36
Total	<u>\$28,388</u>	<u>\$14,182</u>

B. Other income

	For the years ended December 31,	
	2023	2022
Dividend income	\$65,758	\$69,629
Leases income	1,819	1,751
Insurance compensation income (Note)	-	404,192
Others	89,284	53,529
Total	<u>\$156,861</u>	<u>\$529,101</u>

Note: JIN SHUN MARITIME LIMITED's vessel was sunk in November 2022 in Taiwan Strait. As of the reporting day, the investigation of the case is still in progress. The Group estimated received insurance claim income of US\$13,600 thousand based on a legal advice and insurance contract, so the Group amounted to NT\$404,192 thousand of insurance compensation income in 2022. The Group recognized the loss on disposal of property, plant and equipment amount to NT\$13,846 thousand at book value of damage to vessel, please refer to Note 6(23)-C for more detail.

C. Other gains and losses

	For the years ended December 31,	
	2023	2022
(Losses) gain on disposal of property, plant and equipment	\$366,485	\$(350,943)
Gain on disposal of non-current Assets held for sale(Note 1)	-	1,743,481
Disposing subsidiaries(Note 2)	212,078	-
Loss on disposal of investment property	1,036	(261)
Impairment loss on investment property	(10,408)	(20,020)
Gain on disposal of investments	11,165	-
Foreign exchange (losses) gain, net	(47,866)	(23,076)
Other expenses-others	(32,438)	(35,952)
Total	<u>\$500,052</u>	<u>\$1,313,229</u>

Note 1: In order to revitalize assets and enrich working capital, by the resolution of the board of directors on November 9, 2021, the Group disposed of the land and buildings held in Sanmin District, Kaohsiung City. The Company and the buyer signed a sales contract on November 15, 2021. The total contract price is NT\$2,350,000 thousand. After deducting related expenses, including land value-added tax and business tax of NT\$33,504 thousand, NT\$1,743,181 thousand of disposal gain was recognized in January 2022. The transaction was completed on January 3, 2022, and the land ownership transfer registration was completed.

Note 2: Please refer to Note 6(27) for more details of the transaction.

D. Finance costs

	For the years ended December 31,	
	2023	2022
Interest on borrowings from bank	\$(115,422)	\$(85,331)
Interest on notes payable	(251)	(51)
Interest on lease liabilities	(6,595)	(4,121)
Total	<u>\$(122,268)</u>	<u>\$(89,503)</u>

(24) Components of other comprehensive income

For the year ended December 31, 2023

				Income tax relating to	
	Reclassification	Other	components of	Other	
Arising	adjustments	comprehensive	other	comprehensive	
during the	during the	income, before	comprehensive	income, net of	
period	period	tax	income	tax	
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$3,010	\$-	\$3,010	\$(601)	\$2,409
Unrealized gains (loss) on equity instruments investment measured at fair value through other comprehensive income	30,247	-	30,247	-	30,247
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	10,311	-	10,311	-	10,311
Total of other comprehensive (loss) income	\$43,568	\$-	\$43,568	\$(601)	\$42,967

For the year ended December 31, 2022

				Income tax relating to	
	Reclassification	Other	components of	Other	
Arising	adjustments	comprehensive	other	comprehensive	
during the	during the	income, before	comprehensive	income, net of	
period	period	tax	income	tax	
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$3,265	\$-	\$3,265	\$(653)	\$2,612
Unrealized gains (loss) on equity instruments investment measured at fair value through other comprehensive income	(367,179)	-	(367,179)	-	(367,179)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	225,925	-	225,925	-	225,925
Total of other comprehensive (loss) income	\$(137,989)	\$-	\$(137,989)	\$(653)	\$(138,642)

(25) Income tax

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

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	\$900,743	\$846,097
Adjustments in respect of current income tax of prior periods	12,758	(17,027)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	51,574	62,821
Total income tax expense	<u>\$965,075</u>	<u>\$891,891</u>

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2023	2022
Deferred tax expense:		
Remeasurements of defined benefit plans	\$601	\$653
Income tax related to components of other comprehensive loss(income)	<u>\$601</u>	<u>\$653</u>

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2023	2022
Accounting profit before tax from continuing operations	<u>\$4,586,151</u>	<u>\$5,127,999</u>
Tax at the domestic rates applicable to profits in the country concerned	\$957,613	\$1,065,820
Tax effect of revenues exempt from taxation	(156,357)	(361,476)
Tax effect of non-deductible expenses from taxation	(3,751)	1,880
Tax effect of deferred tax assets / liabilities	67,428	202,809
Others	57,172	(115)
5% surtax on unappropriated retained earnings	36,212	-
Adjustments in respect of current income tax of prior periods	12,758	(17,027)
Total income tax expense recognized in profit or loss	<u>\$965,075</u>	<u>\$891,891</u>

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2023

		Deferred tax		
		income (expense)		
		Deferred tax	recognized in	
	Beginning	income (expense)	other	Ending balance
	balance as of	recognized in	comprehensive	as of December
	January 1, 2023	profit or loss	income	31, 2023
Temporary differences				
Unrealized exchange losses	\$4,605	\$687	\$-	\$5,292
Unrealized exchange gains	(1,029)	59	-	(970)
Unrealized disposal gains and losses	-	(2,235)	-	(2,235)
Loss allowance	16,895	(216)	-	16,679
Inventory valuation losses	1,724	953	-	2,677
Impairment losses	598,310	(37,013)	-	561,297
Components of buildings	17,429	678	-	18,107
Defined benefit liabilities	55,477	(8,051)	(601)	46,825
Increment tax on land value payable	(509,565)	-	-	(509,565)
Others	2,084	553	-	2,637
Unused taxable loss	39,146	(6,989)	-	32,157
Deferred tax (expense)/income		<u>\$(51,574)</u>	<u>\$(601)</u>	
Net deferred tax assets/(liabilities)	<u>\$225,076</u>			<u>\$172,901</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$735,670</u>			<u>\$685,671</u>
Deferred tax liabilities	<u>\$(510,594)</u>			<u>\$(512,770)</u>

For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2022
Temporary differences				
Unrealized exchange losses	\$1,280	\$3,325	\$-	\$4,605
Unrealized exchange gains	(5,199)	4,170	-	(1,029)
Loss allowance	20,884	(3,989)	-	16,895
Inventory valuation losses	1,557	167	-	1,724
Impairment losses	655,383	(57,073)	-	598,310
Components of buildings	17,389	40	-	17,429
Defined benefit liabilities	65,635	(9,505)	(653)	55,477
Increment tax on land value payable	(509,565)	-	-	(509,565)
Others	2,040	44	-	2,084
Unused taxable loss	39,146	-	-	39,146
Deferred tax (expense)/income		<u>\$(62,821)</u>	<u>\$(653)</u>	
Net deferred tax assets/(liabilities)	<u>\$288,550</u>			<u>\$225,076</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$803,314</u>			<u>\$735,670</u>
Deferred tax liabilities	<u>\$(514,764)</u>			<u>\$(510,594)</u>

The following table contains information of the unused tax losses in Taiwan of the Group:

Occurred year	Deficit amounts	Unused tax losses		Last credit year
		2023	2022	
2012	\$475	\$-	\$475	2022
2013	54,247	54,247	54,247	2023
2014	661	661	661	2024
2015	776	776	776	2025
2016	1,459	1,459	1,459	2026
2017	112,524	1,497	1,497	2027
2018	209,176	41,690	46,901	2028
2019	163,786	161,734	163,786	2029
2020	26,519	26,626	26,519	2030
2021	28,659	28,659	28,659	2031
2022	12,082	9,666	12,082	2032
2023	9,489	9,489	-	2033
		<u>\$336,504</u>	<u>\$337,062</u>	

Unrecognized deferred tax assets

As of December 31, 2023, and 2022, deferred tax assets that have not been recognized amount to NT\$410,130 thousand and NT\$323,839 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2023, and 2022, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregate to NT\$277,896 thousand and NT\$263,610 thousand, respectively.

As of December 31, 2023, the assessment of the income tax returns of the Group and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2020
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Assessed and approved up to 2021
RUEI SHIN CONSTRUCTIN CO., LTD.	Assessed and approved up to 2021
WELLPOOL CO., LTD.	Assessed and approved up to 2021
GAPE-GOLDSUN CORPORATION	Assessed and approved up to 2021
GOLDSUN NIHON CEMENT CO., LTD.	Assessed and approved up to 2020
TAIPEI PORT TERMINAL COMPANY LIMITED	Assessed and approved up to 2021
HUA YA DEVELOPMENT CO., LTD.	Assessed and approved up to 2021
GOYU BUILDING MATERIALS CO., LTD.	Assessed and approved up to 2021
GIMPO MARINE CO., LTD.	Assessed and approved up to 2021
LAKE VERNICIA DEVELOPMENT COMPANY	Assessed and approved up to 2021
REIXIN ASSET MANAGEMENT INC.	Assessed and approved up to 2021
GALC INC..	Assessed and approved up to 2021

(26) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	\$3,530,978	\$4,132,218
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,176,884	1,176,884
Basic earnings per share (NT\$)	\$3.00	\$3.51
	For the years ended December 31,	
	2023	2022
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	\$3,530,978	\$4,132,218
Profit attributable to ordinary equity holders of the Company after dilution (in thousands)	1,176,884	1,176,884
Effect of dilution:		
Employee bonus-stock (in thousands)	5,890	6,934
Weighted average number of ordinary shares outstanding after dilution (in thousands)	1,182,774	1,183,818
Diluted earnings per share (NT\$)	\$2.99	\$3.49

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(27) Changes in ownership interests in subsidiaries

A. Acquisition of shares issued by subsidiaries

The Company acquired 240,000 issued shares of Goldsun Nihon Cement Co., Ltd. in 2023, paid a cash consideration of NT\$3,360 thousand to non-controlling interest shareholders. Therefore, the difference between the actual acquisition and the book value amounting to NT\$65 thousand was recognized as an increase in capital surplus and decrease of NT\$3,425 thousand in non-controlling interests.

B. Acquisition of new shares in a subsidiary not in proportionate to ownership interest

The subsidiary, HUA YA DEVELOPMENT CO., LTD., issued 8,800 thousand new shares on March 31, 2022 for an amount of NT\$88,000 thousand. The Company purchased all of the new shares, consequently, the percentage of shareholding of HUA YA DEVELOPMENT CO., LTD. was increased to 41%. The related equity increased included changes in non-controlling interests is as follow:

	1 st quarter of 2022
Cash of issuance of new shares, received by the Group	\$-
Decrease in non-controlling interests	259
Differences recognized in additional paid-in capital in equity	<u>\$259</u>

C. Disposal of subsidiary

On February 24, 2023, the board of directors of the Company resolved to dispose of 100% interest of Goldsun(Changshu) Concrete Co., Ltd. GOLDSUN INC., Cayman, signed an equity transfer agreement with the buyer on March 8, 2023. The Group has completed the equity transfer on March 15, 2023 and has lost control over it.

(a) Consideration of disposal: NT\$ 890,226 thousand (net of costs and expenses that may be incurred in equity transactions)

(b) Analysis of assets and liabilities of subsidiary disposal.

The carrying amount of assets and liabilities of Goldsun(Changshu) Concrete Co., Ltd. on May 15, 2023 is detailed as follows:

	Carrying amount
Cash and cash equivalents	\$192,085
Accounts receivable	314,918
Inventories	2,095
Property, plant and equipment	88,498
Right-of-use assets	20,764
Other payable	(3,115)
Current tax liability	(2,348)
Total net assets on the disposal date	<u>\$612,897</u>

(c) Gain on disposal of subsidiary

Consideration collected	\$890,226
Reduce: Net disposal assets	(612,897)
Reduce: Exchange differences on translation of foreign	(65,251)
Gain on disposal of subsidiary	<u>\$212,078</u>

D. Liquidation of subsidiary

On October 27, 2023, the board of directors of the subsidiary, JIN SHUN MARITIME LIMITED, resolved to dissolve and liquidate on November 10, 2023. As the aforementioned subsidiary has entered the liquidation process, the Company has lost control over it and has

reclassified it as a financial asset measured at fair value through profit or loss, amounting to NT\$441,226 thousand.

(28) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	For the years ended December 31,	
		2023	2022
WELLPOOL CO., LTD. and its subsidiary	Taiwan	49%	49%

Note: The holding percentage mentioned above is disclosed as the comprehensive holding percentage. The company mentioned above own subsidiaries, and thus the financial information mentioned below is consolidated financial information.

Accumulated balances of material non-controlling interest:

	As of December 31,	
	2023	2022
WELLPOOL CO., LTD. and its subsidiary	\$539,503	\$547,970

Profit/(loss) allocated to material non-controlling interest:

	For the years ended December 31,	
	2023	2022
WELLPOOL CO., LTD. and its subsidiary	\$75,442	\$92,496

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

WELLPOOL CO., LTD. and its subsidiary

Summarized information of profit or loss:

	For the years ended December 31,	
	2023	2022
Operating revenue	\$951,605	\$1,032,314

	For the years ended December 31,	
Profit of (loss) for the period from continuing operations	153,034	187,628
Total comprehensive income for the period	152,399	188,624

Summarized information of financial position:

	As of December 31,	
	2023	2022
Current assets	\$610,095	\$617,737
Non-current assets	665,989	677,591
Current liabilities	162,664	174,576
Non-current liabilities	19,042	9,199

Summarized cash flow information:

	For the years ended December 31,	
	2023	2022
Operating activities	\$168,269	\$225,530
Investing activities	(40,762)	(58,205)
Financing activities	(161,166)	(162,842)
Net increase (decrease) in cash and cash equivalents	(33,659)	4,483

7. Related Party Transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
TAIWAN SECOM CO., LTD. and subsidiary	Group with significant influence over the Group
RAIXIN QUALITY PRODUCTS LTD.	Associate
TRUST SANDSTONE CO., LTD.	Other related party
SHIN LAN ENTERPRISE INC.	Other related party
FULL MAX CORPORATION LIMITED	Other related party
HQ Design CO., LTD.	Other related party

(1) Operating revenue - Other operating revenue

	For the years ended December 31,	
	2023	2022
Group with significant influence over the Group	\$28	\$-
Other related party	360,879	269,718
Total	<u>\$360,907</u>	<u>\$269,718</u>

The sales prices and terms to related parties are equivalent to third parties.

(2) Operating Cost (including purchase and other operating cost)

	For the years ended December 31,	
	2023	2022
Group with significant influence over the Group	\$549,308	\$516,340
Other related party		
FULL MAX CORPORATION LIMITED	1,015,642	1,111,615
Others	1,607	14,929
Total	<u>\$1,566,557</u>	<u>\$1,642,884</u>

The purchase price to the above related parties was determined through agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers.

(3) Accounts receivable - related parties

	As of December 31,	
	2023	2022
Group with significant influence over the Group	\$-	\$509
Other related party	27,598	12,497
Total	<u>\$27,598</u>	<u>\$13,006</u>

(4) Other receivables - related parties

	As of December 31,	
	2023	2022
Group with significant influence over the Group	\$21,761	\$21,216
Associates	6	3
Total	<u>\$21,767</u>	<u>\$21,219</u>

(5) Accounts payable - related parties

	As of December 31,	
	2023	2022
Group with significant influence over the Group	\$106,301	\$103,255
Other related party	23,509	3,013
Total	<u>\$129,810</u>	<u>\$106,268</u>

(6) Other payables - related parties

	As of December 31,	
	2023	2022
Group with significant influence over the Group	<u>\$16,576</u>	<u>\$26,811</u>

(7) Lease-related parties

A. Rental income and deposits received:

a. Rental income

	As of December 31,	
	2023	2022
Group with significant influence over the Group	<u>\$12,008</u>	<u>\$11,934</u>

b. Guarantee deposits

	As of December 31,	
	2023	2022
Group with significant influence over the Group	<u>\$733</u>	<u>\$733</u>

B. Lease expense

	As of December 31,	
	2023	2022
Group with significant influence over the Group	\$4,339	\$4,275

(8) The Group has purchased equipment from a group with significant influence over the Group amounted to NT\$22,307 thousand and NT\$23,135 thousand for the years ended December 31, 2023 and 2022, respectively.

(9) Key management personnel compensation

	As of December 31,	
	2023	2022
Short-term employee benefits	\$265,245	\$300,516
Post-employment benefits	384	438
Total	\$265,629	\$300,954

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Assets pledged for security	Carrying amount		Secured liabilities
	December 31, 2023	December 31, 2022	
Inventory - land of construction	\$-	\$210,368	Bank loan
Financial assets at fair value through other comprehensive income, current	428,655	413,895	Bank loan 、C/P
Financial assets at fair value through other comprehensive income, non-current	532,721	474,873	Bank loan 、C/P
Securities (Note)	1,005,000	991,500	Bank loan 、C/P
Financial assets measured at amortized cost, current	5,775	63,675	Restricted account 、Loan guarantee
Financial assets measured at amortized cost, non-current	74,256	73,733	Performance guarantee
Investment property	2,092,197	1,591,772	Bank loan 、C/P
Property, plant and equipment-land and building	4,865,111	3,847,278	Bank loan 、C/P
Property, plant and equipment-machinery and equipment	44,045	45,497	Bank loan

Assets pledged for security	Carrying amount		Secured liabilities
	December 31, 2023	December 31, 2022	
Intangible assets-concession	2,809,171	2,889,473	Bank loan
Refundable deposits	20,000	20,000	Performance guarantee
Total	<u>\$11,876,931</u>	<u>\$10,622,064</u>	

Note: Securities are the Group's subsidiaries which were consolidated by the Company. Securities were presented by fair value of open market quotation.

9. Commitments and Contingencies

- Promissory notes issued by the Company to secure business needs and bank loans and construction performance amounted to NT\$5,336,069 thousand as of December 31, 2023
- For Nangang Development Project, the Company signed an engineering contract with counterparty in 2022. The total contract price is NT\$19,268,800 thousand.
- Kunying Construction & Engineering Co., Ltd. ("Kunyang"), a subsidiary company, contracted to the "New Construction Project of Xizhi Ready-Mixed Plant" and entrusted Jingxiang Technology Co., Ltd. ("Jingxiang") to undertake the retaining wall and fence projects. Jingxiang Technology Co., Ltd. did not agree with Kunying for the project payment. Accordingly, Jingxiang filed a lawsuit with the Taipei District Court in 2016. As of July 11, 2023, the verdict has been reached. Kunying needs to pay Jingxiang Technology Co., for an amount of NT\$2,084 thousand, and the entire case has been settled without appeal. The aforementioned amount was paid in full in August 2023.
- Huaya Development Co., Ltd. ("Huaya"), a subsidiary company, has invested in a project to construct a tourist hotel, which includes the development of hot springs. Huaya has obtained the water supply permit from Hualien County Government on September 30, 2022. Huaya entrusted Spring Energy Development Co., Ltd. to handle the application for hot spring development, planning consulting, and drilling works. They also signed supplementary contracts in 2022 to add additional work to the project. The total contract amount is NT\$23,600 thousand.
- Goyu Building Materials Co., Ltd. ("Goyu"), a subsidiary company, entered into a construction agreement with Chung Yi Construction Co., Ltd. ("Chung Yi") to build a factory in Minxiong Industrial Zone, Chiayi on December 3, 2018, they. They also signed supplementary contracts in 2019 and 2020 to add additional work to the project. The total contract value amounted to approximately NT\$180 million. Although the project was completed in 2021, the work exceeded the agreed-upon timeframe stated in the contract. As a result, on October 8, 2020, Goyu sent a lawyer's letter to Chung Yi requesting compensation for breach of contract. In September 2021, Guoyu redeemed a commercial promissory note from Chung Yi in the amount of NT\$5,850 thousand, which served as a performance guarantee. They also temporarily withheld the final payment of NT\$22,655 thousand for the project, totaling NT\$28,505 thousand, which was recorded as other non-current liabilities. However, Chung Yi argued that

the delay in completion was not due to causes attributable to them thus contended that Goyu may not impose penalties for breach of contract, confiscate the performance guarantee, or require compensation for damages. Chung Yi has filed a claim demanding payment of the project funds from Goyu. The case is currently under trial at the Taipei District Court in Taiwan. As of December 31, 2023, the case is still pending.

6. Taipei Port Trading Co., Ltd., a subsidiary company, entrusted Jiacheng Construction Engineering Co., Ltd. to undertake the "Taipei Port Second Bulk Cargo Center-Ready Mixed Concrete Plant New Construction Project". The contract was terminated early due to falling behind in progress during the process. Taipei Port decided to confiscate the deposit of NT\$4,760 thousand and the unpaid project fee of NT\$9,976 thousand as compensation for breach of contract and contracting losses. Jiacheng Construction had disagreements over the project fee payable by Taipei Port, so it filed a lawsuit with the Taipei District Court in 2013. The case is still pending. There is no definite result during the trial in the High Court. As of December 31, 2023, including the payment for the Jiacheng project, interest and deposits, the total estimated liabilities on the account are NT\$19,227 thousand.
7. The Fair Trade Commission alleged that the Company and other pre-mixed concrete industry participants engaged in joint conduct. As per the disposition document No. 108121 issued on April 29, 2019, and the letter No. 1121360080 dated February 20, 2023, the Company was fined NT\$20,000 thousand and NT\$50,000 thousand, respectively. These fines have been recorded as prepaid expenses. An administrative action was filed in 2019, and the judgment rendered on June 30, 2020 concluded that there was no violation of fair trade practices. The Fair Trade Commission appealed against this judgment, and as of December 31, 2023, no outcome has been reached. In the case filed in 2023, an administrative action was initiated, and as of December 31, 2023, no outcome has been reached.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

On January 26, 2024, the board of directors resolved to sell the land numbered 83 and buildings located at Dongguang Rd., East Dist., Tainan City, owned by a subsidiary, REIXIN ASSET MANAGEMENT INC. The total transaction amount is NT\$1,639,990 thousand.

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2023	2022
Financial assets at fair value through profit or loss	\$441,226	\$-
Financial assets at fair value through other comprehensive income	1,944,673	1,900,810

	As of December 31,	
	2023	2022
Financial assets measured at amortized cost:		
Cash and equivalent cash (excluding cash on hand)	2,302,061	2,100,922
Financial assets measured at amortized cost	278,842	238,408
Notes receivable (including related parties)	1,138,506	1,416,809
Accounts receivable (including related parties)	6,571,977	6,456,094
Other receivables (including related parties)	44,162	510,422
Long-term receivables	904,442	1,245,160
Refundable deposits	62,864	51,047
Total	<u>\$13,688,753</u>	<u>\$13,919,672</u>

Financial liabilities

	As of December 31,	
	2023	2022
Financial liabilities at amortized cost:		
Short-term loans	\$2,705,000	\$2,645,000
Short-term notes and bills payable	199,961	-
Notes payable (including related parties)	431,776	733,433
Accounts payable (including related parties)	1,737,386	2,040,597
Other payables (including related parties)	1,752,126	1,713,881
Lease liability	729,803	548,124
Long-term loans (including due in one year)	5,626,348	4,687,301
Long-term notes and bills payable	-	599,865
Guarantee deposits	39,068	43,117
Total	<u>\$13,221,468</u>	<u>\$13,011,318</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk includes currency risk, interest

rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable. In other words, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and CNY. The information of the sensitivity analyses as follows:

When NTD strengthens/weakens against USD by 10%, the profit for the years ended December 31, 2023 and 2022 were decreased/increased by NT\$55,828 thousand and NT\$28,745 thousand, respectively.

When NTD strengthens/weakens against CNY by 10%, the profit for the years ended December 31, 2023 and 2022 were decreased/increased by NT\$591 thousand and NT\$976 thousand, respectively, and the equity were decreased/increased by NT\$82,730 thousand and NT\$84,222 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and floating interest loans and debts.

The interest rate sensitivity analysis is performed on items assumed to be possessed for a fiscal year and exposed to interest rate risk as of the end of the reporting period, including borrowings with floating interest rates. The analysis indicates that when the interest rates increase / decrease by ten basis points, the Group's profits would decrease / increase by NT\$6,302 thousand and NT\$5,827 thousand for the years ended December 31, 2023 and 2022, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

For the year ended December 31, 2023 and 2022, an increase/decrease of 10% in the price of the listed equity securities classified as financial assets at fair value through other comprehensive income could have an impact of NT\$164,024 thousand and NT\$146,068 thousand on the equity attributable to the Group, respectively.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2023, and 2022, amounts receivables from top ten customers represent 24% and 30% of the accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for contract assets and trade receivables, the remaining debt instrument investments which are not measured at fair

value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with floating interest rates is extrapolated based on the approaching effective rate as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2023					
Loans	\$3,541,524	\$2,961,556	\$1,072,276	\$1,178,054	\$8,753,410
Notes payable	431,776	-	-	-	431,776
Accounts payable	1,737,386	-	-	-	1,737,386
Other payables	1,752,126	-	-	-	1,752,126
Lease liabilities (Note)	126,651	215,119	150,988	243,108	735,866
Guarantee deposits	39,068	-	-	-	39,068

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Loans	\$3,733,866	\$1,653,917	\$1,087,964	\$1,233,933	\$7,709,680
Notes payable	733,433	-	-	-	733,433
Accounts payable	2,040,597	-	-	-	2,040,597
Other payables	1,713,881	-	-	-	1,713,881
Lease liabilities (Note)	116,045	165,665	128,109	143,759	553,578

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
Long-term notes and bills payable	-	600,000	-	-	600,000
Guarantee deposits	43,117	-	-	-	43,117

Note:

1. Including cash flows resulted from short-term leases or leases of low-value assets.

2. Information about the maturities of lease liabilities is provided in the table below:

	Maturities					
	Less than 1 year	2 to 5 years	6 to 10 years	11 to 15 years	> 15 years	Total
As of December 31, 2023	\$126,651	\$366,107	\$116,217	\$21,283	\$105,608	\$735,866
As of December 31, 2022	\$116,045	\$293,774	\$49,586	\$21,002	\$73,171	\$553,578

(6) Reconciliation for liabilities arising from financing activities

Information of reconciliation of liabilities for the year ended December 31, 2023:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including due in one year)	Lease liabilities	Guarantee deposits	Long-term notes and bills payable	Balance of liabilities arising from financing activities
2023.1.1	\$2,645,000	\$-	\$4,687,301	\$548,124	\$43,117	\$599,865	\$8,523,407
Cash flow	60,000	199,961	938,642	(106,361)	(4,049)	(599,865)	576,812
Non-cash change	-	-	405	288,040	-	-	288,445
2023.12.31	\$2,705,000	\$199,961	\$5,626,348	\$729,803	\$39,068	\$-	\$9,388,664

Information of reconciliation of liabilities for the year ended December 31, 2022:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including due in one year)	Lease liabilities	Guarantee deposits	Long-term notes and bills payable	Balance of liabilities arising from financing activities
2022.1.1	\$900,000	\$-	\$3,499,646	\$639,698	\$55,613	\$1,796,860	\$6,891,817
Cash flow	1,745,000	-	1,187,250	(198,752)	(12,496)	(1,196,995)	1,524,007
Non-cash change	-	-	405	107,178	-	-	107,583
2022.12.31	\$2,645,000	\$-	\$4,687,301	\$548,124	\$43,117	\$599,865	\$8,523,407

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- a. The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and beneficiary certificates etc.) at the reporting date.
- c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public Group and private Group equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities). The income method assesses the recoverable amount based on the present value of the financial assets that are expected to be received from cash dividends or disposals at the market
- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Among the fair value of the Group's financial assets and financial liabilities measured at amortized cost whose carrying amount approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement. Level 1, 2 and 3 inputs are described as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 - Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss	\$-	\$-	\$441,226	\$441,226
Financial assets at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	\$1,640,237	\$-	\$304,436	\$1,944,673

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instruments designated at fair value through other comprehensive income	\$1,460,684	\$-	\$440,126	\$1,900,810

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 2 and Level 1 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets Measured at fair value through other comprehensive income	Assets Measured at fair value through other comprehensive income
	Stock	Stock
Beginning balances as of January 1, 2023	\$440,126	\$-
Acquisition	2,400	-
Disposal	(358)	-
Transfers	-	441,226
Total gains recognized for the year ended December 31, 2023:		
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	(137,732)	-
Ending balances as of December 31, 2023	\$304,436	\$441,226

	Assets	Assets
	Measured at fair value through other comprehensive income	Measured at fair value through other comprehensive income
	Stock	Stock
Beginning balances as of January 1, 2022	\$524,098	\$-
Capital deducted by cash	12,060	-
Disposal	(8,643)	-
Total gains recognized for the year ended December 31, 2022:		
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	(87,389)	-
Ending balances as of December 31, 2022	\$440,126	\$-

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Stocks	Asset approach	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT\$44,123 thousand.
Measured at fair value through other comprehensive income					
Stocks	Market approach	Earnings per share	18.49	The higher the earnings, the higher the fair value of the stocks	10% increase (decrease) in the earnings would result in increase (decrease) in the

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
					Group's equity by NT\$3,698 thousand.
Stocks	Income approach	Discount rate	1~17.85	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Group's equity by NT\$1,260 thousand.
Stocks	Asset approach	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT\$25,278 thousand.

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Measured at fair value					
through other comprehensive income					
Stocks	Market approach	Earnings per share	7.82	The higher the earnings, the higher the fair value of the stocks	10% increase (decrease) in the earnings would result in increase (decrease) in the Group's equity by NT\$1,564 thousand.
Stocks	Income approach	Discount rate	1~16.35	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Group's equity by NT\$1,895 thousand.
Stocks	Asset approach	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT\$40,368 thousand.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	\$-	\$-	\$12,091,441	\$12,091,441

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6(10))	\$-	\$-	\$12,077,434	\$12,077,434

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(Unit: Foreign currency: thousands, NTD: thousands)			
As of 31 December, 2023			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$18,179	30.71	\$558,277
RMB	1,366	4.33	5,915
Non-monetary items:			
RMB	191,063	4.33	827,303
As of 31 December, 2022			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$9,360	30.71	\$287,446
RMB	2,213	4.41	9,759
Non-monetary items:			
RMB	190,980	4.41	842,222

The above information is disclosed based on the carrying amount of foreign currency (after conversion of functional currency).

The Group's entities' functional currency is various, and hence is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies.

The foreign exchange (losses) gain was NT\$(47,866) thousand and NT\$(23,076) thousand for the years ended December 31, 2023 and 2022, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong

credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosure

(1) Information at significant transactions

- A. Financing provided to other: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others: Please refer to Attachment 2.
- C. Securities held: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million and 20 percent of the capital stock: None.
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million and 20 percent of the capital stock: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million and 20 percent of the capital stock: Attachment 4.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million and 20 percent of the capital stock: Attachment 5.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million and 20 percent of capital stock: None.
- I. Financial instruments and derivative transactions: None.
- J. Significant intercompany transactions between consolidated entities: Please refer to Attachment 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Attachment 7.

(3) Information on investments in mainland China

- A. Names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, percentage of ownership, investment income recognized, carrying amount, accumulated inward remittance of earnings, and upper limit on investment of investees in Mainland China: Please refer to Attachment 8.
- B. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 1, and 2.

(4) Information of Major shareholders

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Please refer to Attachment 9.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

- (1) Pre-mixed concrete Segment in Taiwan: segment engages in productions and sales of pre-mixed concrete in Taiwan.
- (2) Pre-mixed concrete Segment in Mainland China: segment engages in productions and sales of pre-mixed concrete in Mainland China.
- (3) Others: segment engages in productions and sales of calcium silicate board, shipping, warehousing, construction and real estate rental.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

A. Information on profit or loss of the reportable segment:

For the year ended December 31, 2023

	Taiwan Segment	Pre-mixed concrete Segment in Mainland China	Subtotal	Other (Note1)	Adjustment and elimination (Note2)	Consolidated
Revenue						
External						
customer	\$17,758,425	\$1,416,728	\$19,175,153	\$1,865,978	\$-	\$21,041,131
Inter-segment	111,595	-	111,595	1,889,128	(2,000,723)	-
Total revenue	\$17,870,020	\$1,416,728	\$19,286,748	\$3,755,106	\$(2,000,723)	\$21,041,131
Segment profit	\$4,437,047	\$382,113	\$4,819,160	\$123,593	\$(356,602)	\$4,586,151

For the year ended December 31, 2022

	Taiwan Segment	Pre-mixed concrete Segment in Mainland China	Subtotal	Other (Note1)	Adjustment and elimination (Note2)	Consolidated
Revenue						
External customer	\$16,870,045	\$2,432,478	19,302,523	\$1,976,257	\$-	\$21,278,780
Inter-segment	114,014	-	114,014	1,776,855	(1,890,869)	-
Total revenue	\$16,984,059	\$2,432,478	\$19,416,537	\$3,753,112	\$(1,890,869)	\$21,278,780
Segment profit	\$4,948,764	\$76,244	\$5,025,008	\$306,317	\$ (203,326)	\$5,127,999

Note 1: Revenue from four operational departments, production and sales of fireproof building materials, freight transportation, warehouse management, and real estate rental department, that do not meet the quantitative thresholds for reportable segments.

Note 2: Inter-segment revenue is eliminated on consolidation and recorded under the “adjustment and elimination” column. All other adjustments and eliminations are disclosed below.

B. Information on assets and liabilities of the reportable segment:

The following table presents segment assets and liabilities of the Group’s operating segments as of December 31, 2023 and 2022:

As of December 31, 2023

	Taiwan Segment	Pre-mixed concrete Segment in Mainland China	Subtotal	Other	Adjustment and elimination	Consolidated
Assets						
Investment accounted for under the equity method	\$19,189	\$827,301	\$846,490	\$-	\$-	\$846,490
Segment assets	\$36,389,642	\$3,330,645	\$39,720,287	\$12,916,844	\$(12,087,992)	\$40,549,139
Segment liabilities	\$11,895,459	\$1,587,333	\$13,482,792	\$2,366,693	\$(918,250)	\$14,931,235

As of December 31, 2022

	Taiwan Segment	Pre-mixed concrete Segment in Mainland China	Subtotal	Other	Adjustment and elimination	Consolidated
Assets						
Investment accounted for under the equity method	\$15,738	\$844,831	\$860,569	\$-	\$-	\$860,569
Segment assets	\$34,180,943	\$4,659,911	\$38,840,854	\$13,876,658	\$(13,766,429)	\$38,951,083
Segment liabilities	\$10,915,461	\$1,305,453	\$12,220,914	\$3,503,393	\$(1,170,280)	\$14,554,027

(Unit: Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of financing provider	Name of counter party	Account (Note 2)	Related Partie	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing activity (Note 3)	Amount of sales to (purchase from) counter-party	Reason for financing	Allowance for doubtful accounts	Assets pledged		Limit of financing amount for individual counter-party (Note 4)	Limit of total financing amount (Note 4)
													Item	Value		
1	REI SHIN CONSTRUCTION CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Other receivable	YES	NT\$ 550,000	NT\$ 550,000	NT\$ 450,000	1.125%-1.5%	2	\$-	Operating	\$-	-	\$-	NT\$ 775,203	NT\$ 775,203
2	REI SHIN CONSTRUCTION CO., LTD.	GIMPO MARINE CO., LTD.	Other receivable	YES	NT\$ 100,000	NT\$ 100,000	NT\$ 100,000	2.00%	2	-	Operating	-	-	-	NT\$ 775,203	NT\$ 775,203
2	KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	GIMPO MARINE CO., LTD.	Other receivable	YES	NT\$ 110,000	-	-	-	2	-	Operating	-	-	-	NT\$ 175,583	NT\$ 175,583
2	KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	Other receivable	YES	NT\$ 30,000	-	-	-	2	-	Operating	-	-	-	NT\$ 175,583	NT\$ 175,583
3	YUAN SHUN MARITIME LTD.	HUI SHUN MARITIME LTD.	Other receivable	YES	US\$ 5,500 (NT\$ 178,365)	US\$ 5,500 (NT\$ 168,905)	US\$ 4,900 (NT\$ 150,479)	2%-3.2%	2	-	Operating	-	-	-	US\$ 31,577 (NT\$ 969,724)	US\$ 31,577 (NT\$ 969,724)
		FENG SHUN MARITIME LTD.	Other receivable	YES	US\$ 1,900 (NT\$ 61,500)	US\$ 1,900 (NT\$ 46,065)	US\$ 1,000 (NT\$ 30,710)	2%-3.2%	2	-	Operating	-	-	-	US\$ 31,577 (NT\$ 969,724)	US\$ 31,577 (NT\$ 969,724)
		JIN SHUN MARITIME LTD.	Other receivable	YES	US\$ 950 (NT\$ 30,750)	-	-	-	2	-	Operating	-	-	-	US\$ 31,577 (NT\$ 969,724)	US\$ 31,577 (NT\$ 969,724)
4	JIN SHUN MARITIME LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Other receivable	NO	US\$ 14,000 (NT\$ 454,020)	14,000 (NT\$ 429,940)	NT\$ 8,000 (NT\$ 245,680)	3.05%-3.15%	2	-	Operating	-	-	-	US\$ 28,735 (NT\$ 882,452)	US\$ 28,735 (NT\$ 882,452)
5	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	YES	RMB 100,000 (NT\$ 445,000)	RMB 100,000 (NT\$ 433,000)	RMB 75,000 (NT\$ 324,750)	2.01%	2	-	Operating	-	-	-	RMB 197,726 (NT\$ 855,236)	RMB 197,726 (NT\$ 855,236)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	RMB 80,000 (NT\$ 346,400)	-	-	2	-	Operating	-	-	-	RMB 197,726 (NT\$ 855,236)	RMB 197,726 (NT\$ 855,236)
		GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	RMB 197,726 (NT\$ 855,236)	RMB 197,726 (NT\$ 855,236)
6	GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	YES	RMB 100,000 (NT\$ 445,000)	-	-	-	2	-	Operating	-	-	-	-	-
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	-	-
		GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	-	-

(Unit: Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of financing provider	Name of counter party	Account (Note 2)		Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing activity (Note 3)	Amount of sales to (purchase from) counter-party	Reason for financing	Allowance for doubtful accounts	Assets pledged		Limit of financing amount for individual counter-party (Note 4)	Limit of total financing amount (Note 4)
													Item	Value		
7	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	YES	RMB 100,000 (NT\$ 445,000)	RMB 100,000 (NT\$ 433,000)	-	-	2	-	Operating	-	-	-	(NT\$ 318,291) (NT\$ 1,376,722)	RMB 318,291 (NT\$ 1,376,722)
		GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	RMB 80,000 (NT\$ 346,400)	-	-	2	-	Operating	-	-	-	RMB 318,291 (NT\$ 1,376,722)	RMB 318,291 (NT\$ 1,376,722)
		GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	RMB 318,291 (NT\$ 1,376,722)	RMB 318,291 (NT\$ 1,376,722)
8	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	RMB 80,000 (NT\$ 346,400)	-	-	2	-	Operating	-	-	-	RMB 345,296 (NT\$ 1,493,528)	RMB 345,296 (NT\$ 1,493,528)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	RMB 80,000 (NT\$ 346,400)	-	-	2	-	Operating	-	-	-	RMB 345,296 (NT\$ 1,493,528)	RMB 345,296 (NT\$ 1,493,528)
		GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	RMB 345,296 (NT\$ 1,493,528)	RMB 345,296 (NT\$ 1,493,528)

Note 1: The parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Fill in if the nature of financial statement account is financing.

Note 3: The method of filling out the capital loan and nature is:

(1) For business transactions fill in "1"

(2) For short-term financing funds necessity fill in "2"

Note 4: YUAN SHUN MARITIME LTD., JIN SHUN MARITIME LTD., GOLDSUN CONCRETE (SUZHOU) CO., LTD., LTD., GOLDSUN CONCRETE (WUJIANG) CO., LTD., and GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD. Shall not exceed double of the net asset value from the latest financial statement. RUEI SHIN CONSTRUCTIN CO., LTD and KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD. shall not exceed the 40% net asset value from the latest financial statement.

Note 5: GOLDSUN CONCRETE (WUJIANG) CO., LTD., GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD., and GOLDSUN CONCRETE (SUZHOU) CO., LTD.'s ending balance would be duplicate calculated in collaboration.

Actual ending balance was RMB\$80,000 thousand except RMB\$100,000 thousand of GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD. The ending balance didn't exceed the limit.

Note 6: In March 2023, the Group has disposed of its mainland subsidiary, GOLDSUN CONCRETE (CHANGSHU) CO., LTD.

Note 7: On November 10, 2023, JIN SHUN MARITIME LTD. has undergone dissolution and liquidation, the group has lost control over it, please refer to note 6(27)

(Unit: Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of endorsers	Endorsee		Endorsement limit for a single entity (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/endorse- ment	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorse- ment amount (Note 3)	Guarantee provided by Parent Company (Note 7)	Guarantee provided by A Subsidiary (Note 7)	Guarantee provided to Subsidiaries in Mainland China (Note 7)
		Name of endorseees	Relationship (Note 2)										
1	REI SHIN CONSTRUCTIN CO., LTD	GOLDSUN BUILDING MATERIALS CO., LTD.	3	\$3,876,015	\$2,700,000	\$2,700,000	\$-	\$2,700,000	139.32%	\$3,876,015		Y	
2	REIXIN ASSET MANAGEMENT INC.	GOLDSUN BUILDING MATERIALS CO., LTD.	3	2,259,467	884,000	884,000	252,000	884,000	78.25%	2,259,467		Y	
3	GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	-	1,780,000	-	-	-	-	-			Y
4	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	3,733,820	1,780,000	1,515,500	153,022	-	202.94%	3,733,820			Y
5	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	3,441,805	1,780,000	1,515,500	146,614	-	220.16%	3,441,805			Y

Note 1: The parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Industry partners who are engaged in the sales of pre-construction homes and conduct joint guarantee for the performance of contract based on Consumer Protection Act.

Note 3: The procedure of endorsement is showed as the follows:

REI SHIN CONSTRUCTIN CO., LTD and REIXIN ASSET MANAGEMENT INC. endorsement / guarantee amount limit for a single entity and total that shall not exceed double of the net asset value from the latest financial statement.

Other subsidiary, the endorsement / guarantee amount limit for a single entity and total that should not exceed 500% net assets value both from the latest financial statement.

Note 4: In March 2023, the Group has disposed of its mainland subsidiary, GOLDSUN CONCRETE (CHANGSHU) CO., LTD.

(Unit: Foreign currency: thousands, NTD: thousands)

Names of companies held	Type and name of securities	Relationship with the Company	Financial statement account	31-Dec-23				Remark
				Units (thousand) / bonds / shares (thousand)	Carrying amount	Percentage of ownership (%)	Fair value/Net assets value	
GOLDSUN BUILDING MATERIALS CO., LTD.	Stock- TAIWAN CEMENT CORPORATION	Investor under the equity method	Financial assets at fair value through other comprehensive income, current	18,500,000	\$644,725	-	\$644,725	12,300 thousand shares provide for loan guarantee
	KINPO ELECTRONICS, INC.		Financial assets at fair value through other comprehensive income, current	1,000,000	\$16,250	-	16,250	
	TAIWAN SECOM CO., LTD		Financial assets at fair value through other comprehensive income, non-current	6,065,000	709,605	1%	709,605	4,200 thousand shares provide for loan guarantee
	TAIWAN SHIN KONG SECURITY CO.,LTD		Financial assets at fair value through other comprehensive income, non-current	20,000	807	-	807	
	TAIWAN AIRPORT SERVICE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	7,405,200	41,321	17%	41,321	7,405 thousand shares provide for loan guarantee
	OVERSEAS INVESTMENT & DEVELOPMENT CORP.		Financial assets at fair value through other comprehensive income, non-current	2,000,000	36,980	2%	36,980	
	ANFENG SPRING ENTERPRISE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	150,000	2,677	5%	2,677	
	EVERTERMINAL CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	714,826	11,301	1%	11,301	
	CHI HSIANG BROWNSTONE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	6,300	7,060	18%	7,060	
	JIN SHUN MARITIME LIMITED		Financial assets at fair value through profit or loss, current	148,200,000	441,226	100%	441,226	Please refer to note 6(27)
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Stock- GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Financial assets at fair value through other comprehensive income, non-current	238,323	6,709	-	6,709	Included in treasury shares
	TAIWAN CEMENT CORPORATION		Financial assets at fair value through other comprehensive income, current	1,000,000	34,850	-	34,850	
	TAIWAN SECOM CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	2,000,000	234,000	-	234,000	
REIXIN ASSET MANAGEMENT CO., LTD.	Stock- GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Financial assets at fair value through other comprehensive income, non-current	2,877,785	81,010	-	81,010	Included in treasury shares
TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Capital- FUZHOU SANSHUN STONE MATERIAL CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	193,094	19%	193,094	
	FUJIAN HENGZHONG SAND STONE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	12,003	19%	12,003	

Attachment 4: Disposal of individual real estate with amount exceeding the lower of NT\$300 million and 20 percent of the capital stock for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

Real estate disposed by	Real estate	Transaction date or date of the event (Note 4)	Acquisition date	Carrying value	Transaction amount (Note 5)	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Price reference	Other terms
GOLDSUN BUILDING MATERIALS CO., LTD.	Daxing St., Bade Dist., Taoyuan City No.373 The land ownership :1/1	November 10,2023	December 24,1981	\$9,760	\$379,900	Based on contract terms	\$366,315	Leebao Technology Co., Ltd	Rrelated party	Optimize assets and Enrich the working capital of the Company	Determined at prices agreed on by both parties upon negotiation or through price comparison with reference to appraisal reports issued by professional appraisal institutions	None
	Chongqing St., Bade Dist., Taoyuan City No.202 The building ownership :1/1 and buildings on the ground		August 9,1994	3,825								

Note 1: The disposal of assets shall be appraised, the appraisal results need to be noted in the "Price reference" column.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share,

the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Transaction date or date of the event, refers to the date of signing the transaction, the date of payment, the date of entrustment transaction, the date of transfer, the date of resolution of the board of directors

or the date on which the transaction object and transaction amount are fully funded.

Note 4: The date is contract signing date, the Company transferred the use right to buyer and registered on December 28, 2023.

Note 5: The amount is total amount of the contract deduct land value increment tax, business tax and related necessary expenses.

Attachment 5:Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million and 20 percent of capital stock for the year ended December 31, 2023

(Unit:Foreign currency: thousands, NTD: thousands)

Company	Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit Price	Term	Balance	Percentage of total receivables (payable)	
GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN EXPRESS & LOGISTICS CO., LTD.	Associate Company	(Note)	\$543,599	(Note)	Net 30 days	\$-	-	\$(105,500)	(4.86)%	
GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	Subsidiary	Operating Cost	953,732	6%	Net 30 days	-	-	(93,197)	(4.30)%	
GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL CO., LTD.	Subsidiary	Operating Cost	695,871	4%	Net 30 days	-	-	(46,350)	(2.14)%	
GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent company	Operating Revenue	(953,732)	93%	Net 30 days	-	-	93,197	100.00 %	
TAIPEI PORT TERMINAL CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent company	Operating Revenue	(695,871)	94%	Net 30 days	-	-	46,350	82.29 %	

Note : To provide the services of shipping cement to GOLDSUN BUILDING MATERIALS CO., LTD. and the related amount was recorded as other operating income.

Attachment 6: Significant intercompany transactions between consolidated entities for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

No.	Company	Counter-party	Relationship	Account	Amount	Term	As a percentage of total assets or revenues
	<u>Year of 2023</u>						
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Sales revenue	\$67,503	(Note 4)	0.32%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Accounts receivables	23,308	(Note 4)	0.06%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	1	Cost of goods sold	953,732	(Note 4)	4.53%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	1	Accounts payable	93,197	(Note 4)	0.23%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOYU BUILDING MATERIALS CO., LTD.	1	Sales revenue	20,926	(Note 4)	0.05%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	REIXIN ASSET MANAGEMENT INC.	1	Sales revenue	12,000	(Note 4)	0.03%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GIMPO MARINE CO., LTD.	1	Cost of goods sold	86,540	(Note 4)	0.41%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL COMPANY LIMITED	1	Cost of goods sold	695,871	(Note 4)	3.31%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL COMPANY LIMITED	1	Accounts payable	46,350	(Note 4)	0.11%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	JING SHUN MARITIME LTD.	1	Cost of goods sold	19,898	(Note 4)	0.09%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	YUAN SHUN MARITIME LTD.	1	Cost of goods sold	56,529	(Note 4)	0.27%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	HUI SHUN MARITIME LTD.	1	Cost of goods sold	11,003	(Note 4)	0.05%
1	GOYU BUILDING MATERIALS CO., LTD.	GALC INC.	3	Sales revenue	55,883	(Note 4)	0.27%

Note 1: Information about related party transactions should be stated. The numbers of each company are illustrated as follows:

- (1) 0 is for the parent company.
- (2) Each subsidiary is numbered from 1.

Note 2: The relationship between related parties are as follows:

- (1) Parent company and subsidiary.
- (2) Subsidiary and Parent company.
- (3) Subsidiary and subsidiary.

Note 3: Transaction amount is stated as a ratio of total assets or total revenues. Ratios of assets or liabilities accounts are calculated as ending balance divided by total assets, and ratios of profit or loss accounts are calculated as accumulated amount for the year divided by total revenues.

Note 4: The Company's sales to related parties are handled according to the general sales conditions; its collection period is equivalent to ordinary customers.

Note 5: This table includes transactions for amounts over \$10,000 thousand.

ATTACHMENT 7: Names, locations and related information of investee companies (Not including investment in Mainland China) for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

Investor Company	Investee Company	Location	Main business and products	Original / investment amount		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
GOLDSUN BUILDING MATERIALS CO., LTD.	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Taipei, TW	Construction of civil and architectural construction projects	\$835,000	\$835,000	30,000,000	100%	\$432,249	\$12,590	\$12,023	15,000 thousand shares provide for loan guarantee
	REI SHIN CONSTRUCTION CO., LTD	Taipei, TW	Real estate rental, sale and development	(Note 1)	(Note 1)	80,000,000	100%	1,589,188	4,246	4,246	
	WELLPOOL CO., LTD.	Taipei, TW	Sales of calcium silicate board and other boards	303,653	303,653	18,280,389	51%	554,875	153,034	77,592	
	GOLDSUN NIHON CEMENT CO., LTD.	Kaohsiung, TW	Cement import and sale	122,481	119,121	11,700,000	60%	163,899	28,011	16,549	
	TAIPEI PORT TERMINAL COMPANY LIMITED	Taipei, TW	International trade, warehousing and tally packaging	2,477,200	2,477,200	250,000,000	100%	2,498,192	20,748	20,748	
	HWA YA DEVELOPMENT CO., LTD.	Taipei, TW	Hotel operator	284,928	284,928	24,514,108	41%	240,252	(9,334)	(3,814)	
	GOYU BUILDING MATERIALS CO., LTD.	Chiayi, TW	Sales of building materials	280,000	280,000	28,000,000	70%	269,386	17,627	13,087	
	GIMPO MARINE CO., LTD.	New Taipei City, TW	Shipping	100,000	100,000	10,000,000	100%	98,243	3,634	3,634	
	REIXIN ASSET MANAGEMENT INC.	Taipei, TW	Real estate rental, sale and development	(Note 2)	(Note 2)	100,000,000	100%	1,048,730	3,577	(2,232)	
	LAKE VERNICIA DEVELOPMENT COMPANY	Taipei, TW	Crop cultivation, special crop cultivation, and edible mushroom cultivation	1,000	1,000	100,000	100%	219	(155)	(155)	
	GALC INC.	Taipei, TW	Construction and architectural works	21,000	21,000	2,100,000	70%	29,818	11,426	7,998	

ATTACHMENT 7: Names, locations and related information of investee companies (Not including investment in Mainland China) for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

Investor Company	Investee Company	Location	Main business and products	Original / investment amount		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
GOLDSUN BUILDING MATERIALS CO., LTD.	JIN SHUN MARITIME LTD.	Hong Kong	Shipping	\$583,591 (USD 19,000)	\$583,591 (USD 19,000)	148,200,000	100%	\$-	\$-	\$-	(Note 3)
	YUAN SHUN MARITIME LTD.	Hong Kong	Shipping	466,588 (USD 15,150)	466,588 (USD 15,150)	118,170,000	100%	484,862	18,147	18,147	
	JING SHUN MARITIME LTD.	Hong Kong	Shipping	307,970 (USD 10,000)	307,970 (USD 10,000)	10,000,001	100%	316,058	9,884	9,884	
	FENG SHUN MARITIME LTD.	Hong Kong	Shipping	192,481 (USD 6,250)	192,481 (USD 6,250)	6,250,001	100%	196,375	23,041	23,041	
	HUI SHUN MARITIME LTD.	Hong Kong	Shipping	253,931 (USD 9,000)	253,931 (USD 9,000)	9,000,001	100%	203,389	(42,573)	(42,573)	
	EASE GREAT INVESTMENTS LTD.	Samoa	Investment and holding	1,024,773 (USD 31,440)	1,943,940 (USD 59,640)	31,440,000	100%	2,702,076	188,650	188,650	
	TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Hong Kong	Investment	480,289 (USD 15,436)	480,289 (USD 15,436)	116,686,664	100%	205,724	(140)	(140)	
	RAIXIN QUALITY PRODUCTS LTD.	Taipei, TW	Upholstery and sales of furniture	81,386	66,386	4,210,512	42%	19,189	(24,722)	(11,549)	Associates
WELLPOOL CO., LTD.	GAPE-GOLDSUN CORPORATION	Taipei, TW	Sales of calcium silicate board and other boards	1,283	1,283	100,000	100%	1,511	18	-	
EASE GREAT INVESTMENTS LTD.	GREAT SMART LTD.	Cayman	Investment and holding	629,364 (USD 19,390)	629,364 (USD 19,390)	19,390,000	100%	836,026	(7,803)	-	
	GOLDSUN INTERNATIONAL DEVELOPMENT CORP.	Cayman	Investment and holding	390,622 (USD 11,900)	1,316,300 (USD 40,100)	11,900,000	100%	1,863,667	196,470	-	

Note1: The board of directors of RUEI SHIN CONSTRUCCION CO., LTD., passed the capital reduction proposal on September 6, 2019, and the long-term investment equity of EASE GREAT INVESTMENTS LTD and TAIPEI PORT TERMINAL CO., LTD.

Company Limited held by the company was treated as cash, returned to Goldsun Building Materials Co., Ltd. (shareholder)

Note 2: RUEI SHIN CONSTRUCCION CO., LTD., a subsidiary, independently operated business to a newly incorporated company, REIXIN ASSET MANAGEMENT INC., that the Company own 100% share.

The transferred business value is estimated 1,000,000 thousand. The Company transferred part of its obtained 100,000 thousand new shares issued by REIXIN ASSET MANAGEMENT INC. as consideration. The division reference date was January 1, 2020.

Note 3: In November 2023, JIN SHUN MARITIME LTD. was been liquidated, please refer to note 6(27).

(Unit: Foreign currency: thousands, NTD: thousands)

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow						
GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Production and sales of ready-mixed concrete and cement products	\$402,217 (USD 11,882)	(Note 1)	\$402,217 (USD 11,882)	\$-	\$-	\$402,217 (USD 11,882)	\$1,813	100%	\$1,813	\$427,618	\$33,567
GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	Production and sales of ready-mixed concrete and cement products	459,388 (USD 14,200)	(Note 1)	459,388 (USD 14,200)	-	459,388 (USD 14,200)	-	(950)	- (Note 5)	(950)	- (Note 5)	670,041
GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Production and sales of ready-mixed concrete and cement products	197,939 (USD 5,960)	(Note 1)	197,939 (USD 5,960)	-	-	197,939 (USD 5,960)	1,652	100%	1,652	688,361	-
GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Production and sales of ready-mixed concrete and	198,527 (USD 5,960)	(Note 1)	198,527 (USD 5,960)	-	-	198,527 (USD 5,960)	9,824	100%	9,824	746,764	-
LIANYUAN CONCH CEMENT CO., LTD.	Cement production and distribution	2,383,120 (USD 74,800)	(Note 2)	376,549 (USD 10,800)	-	-	376,549 (USD 10,800)	(9,341)	20%	(1,868)	827,301	145,190
FUZHOU SANSHUN STONE MATERIAL CO., LTD.	Sandstone processing	1,016,143 (USD 33,503)	(Note 3)	453,555 (USD 14,566)	-	-	453,555 (USD 14,566)	-	19%	-	193,095 (Note 4)	-
FUJIAN HENGZHONG SAND STONE CO., LTD.(Note9)	Sandstone processing	134,790 (RMB 30,000)	(Note 3)	24,777 (USD 810)	-	-	24,777 (USD 810)	-	19%	-	12,003 (Note 4)	-

Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
\$2,297,195 (USD 69,700)	\$1,457,136 (USD 52,642)	\$15,370,742 (Note 8)

Note 1: The Company established EASE GREAT INVESTMENTS LTD. in a third region. The Company reinvested in GOLDSUN INTERNATIONAL DEVELOPMENT CORP. (through EASE GREAT INVESTMENTS LTD.) and then invested in Mainland China.

Note 2: The Company established EASE GREAT INVESTMENTS LTD. in a third region. The Company reinvested in GREAT SMART LTD. (through EASE GREAT INVESTMENTS LTD.) and then invested in Mainland China.

Note 3: The Company established TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED. in a third region and then invested in Mainland China.

Note 4: The company recognized the investment as "Financial assets at fair value through other comprehensive income, non-current".

Note 5: GOLDSUN CONCRETE (CHANGSHU) CO., LTD. was disposed of on March 15, 2023. As of March 31, 2023, the equity transfer has been completed.

EASE GREAT INVESTMENTS LTD. had implemented a capital reduction USD\$28,200 thousand in cash through the return of share proceeds to Taiwan as of December 31, 2023

Note 6: The Company deposited the subsidiary, GOLDSUN COMENT (FUJIAN) CO., LTD. in 2019. Accumulated outflow of investment from Taiwan was NT\$2,369,969 thousand (USD\$72,500 thousand). EASE GREAT INVESTMENTS LTD. implement a capital reduction USD\$55,277 thousand in cash through the return of share proceeds to the Company and remaining outflow of investment USD\$17,223 thousand was not returned to Taiwan as of December 31, 2023.

Note 7: The Company deposited the subsidiary, FU YANG PORT CO., LTD. in 2019. Accumulated outflow of investment from Taiwan was NT\$322.625 thousand (USD\$10,000 thousand). EASE GREAT INVESTMENTS LTD. implement a capital reduction USD\$7,501 thousand in cash through the return of share proceeds to the Company and accumulated outflow of investment from Taiwan was USD\$2,499 thousand as of December 31, 2023.

Note 8: Based on the new regulations issued by the Investment Commission of the Ministry of Economic Affairs (MOEA) in 2008, The ceiling amount of Investment limits on mainland China was 60% of consolidated net worth or net worth (higher).

Attachment 9: Information of Major Shareholder as of December 31, 2023

(Unit: share)

Shares/Name	Number of shares		Percentage of ownership (%)
	Ordinary Stock	Preferred stock	
SHIN LAN ENTERPRISE INC.	81,643,341	-	6.91%
TAIWAN SECOM CO., LTD.	77,705,747	-	6.58%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

Note 3: The preparation of the table is done by calculating the distribution of the balance of each credit transactions based on the shareholder registers (not buying to cover) whose shares are suspended for transfer for the shareholder extraordinary meeting.

Note 4: Shareholding percentage (%) = The total number of shares held by the shareholder / The total number of shares that have been delivered without physical registration.

Note 5: The total number of shares (including treasury shares) that have been delivered without physical registration is 1,180,000,000 shares = 1,180,000,000 shares (ordinary shares) + 0 shares (preferred shares).

V. Parent-only financial statements for the most recent fiscal year audited and validated by certified public accountants

Independent Auditors' Report Translated from Chinese

To GOLDSUN BUILDING MATERIALS CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of GOLDSUN BUILDING MATERIALS CO., LTD. (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Revenue from contracts with customers that recognized by the Company amounted to NT\$17,426,567 thousand for the year ended December 31, 2023, and the main source of revenue is the sale of pre-mixed concrete. The timing of sales was recognized when the performance obligations was satisfied that goods were delivered and accepted by the customers. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to:

1. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.
2. Selecting samples to perform tests of details, performing tests of transaction detail which included reviewing vouchers of selected samples to confirm the performance obligations was satisfied.
3. Performing cutoff testing through periods before and after the balance sheet date by reviewing related documentation of selected samples.
4. Executing accounts receivable confirmation procedures to confirm with the Company's customers. Moreover, performing other alternative audit procedures if customers do not return confirmations.

We also consider the appropriateness of the disclosures of operating revenue. Please refer to Note 4 and 6.

Other Matter – Making Reference to the Audits of Other Auditors

We did not audit the financial statements of certain associates, which statements reflected investments accounted for under the equity method of NT\$1,200,683 thousand and NT\$1,629,284 thousand, representing 3% and 5% of the total assets as of December 31, 2023 and 2022, respectively. The related shares of gain (loss) from the associates and joint ventures under the equity method amounted to NT\$12,786 thousand and NT\$(8,690) thousand, representing 0% and 0% of the net income before income tax for the years ended December 31, 2023 and 2022, respectively; and the related shares of other comprehensive loss from the associates and joint ventures under the equity method amounted to NT\$(11,326) thousand and NT\$137,580 thousand, representing (26)% and (99)% of the comprehensive (loss) gain for the years ended December 31, 2023 and 2022, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
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 the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial

statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Wang, Hsuan-hsuan

/s/Liu, Hui-Yuan

Ernst & Young, Taiwan
February 29, 2024

Notice to Readers

The accompanying financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and December 31, 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4 and 6	\$1,099,647	3	\$780,390	3
Financial assets at fair value through profit or loss, current	4,5 and 6	441,226	1	-	-
Financial assets at fair value through other comprehensive income, current	4,5,6 and 8	660,975	2	635,311	2
Financial assets at amortized cost, current	4,6 and 8	28,000	-	92,775	-
Notes receivable, net	4,5 and 6	910,877	3	1,024,245	3
Accounts receivable, net	4,5 and 6	5,435,765	15	4,863,695	14
Accounts receivable - related parties, net	4,5,6 and 7	30,647	-	37,210	-
Other receivables		10,376	-	18,712	-
Other receivables - related parties	7	39,910	-	47,713	-
Inventories, net	4,5,6 and 8	400,998	1	625,989	2
Prepayments	7	382,954	1	351,577	1
Total current assets		<u>9,441,375</u>	<u>26</u>	<u>8,477,617</u>	<u>25</u>
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4,5,6 and 8	809,751	2	695,741	2
Financial assets at amortized cost, non-current	4,6 and 8	4,775	-	-	-
Investments accounted for under the equity method	4,5,6 and 8	11,052,722	31	12,186,995	36
Property, plant and equipment	4,6,7 and 8	9,206,446	25	7,371,389	21
Right-of-use assets	4,6 and 7	473,850	1	322,856	1
Investment property, net	4,5,6 and 8	4,644,031	13	4,386,703	13
Intangible assets	4 and 6	6,789	-	9,538	-
Deferred tax assets	4,5 and 6	636,079	2	680,359	2
Prepayment for equipment		71,448	-	5,644	-
Refundable deposits	7	31,467	-	28,546	-
Long-term receivable	4,5 and 6	16,586	-	15,555	-
Total non-current assets		<u>26,953,944</u>	<u>74</u>	<u>25,703,326</u>	<u>75</u>
Total assets		<u>\$36,395,319</u>	<u>100</u>	<u>\$34,180,943</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and December 31, 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of			
		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current liabilities					
Short-term loans	4,6 and 8	\$2,705,000	8	\$2,630,000	8
Short-term notes and bills payable	6 and 8	199,961	1	-	-
Notes payable		103,280	-	179,211	1
Accounts payable		1,233,589	3	1,225,563	4
Accounts payable - related parties	7	259,440	1	345,854	1
Other payables		1,332,121	4	1,273,529	4
Other payables - related parties	7	473,861	1	482,429	1
Current tax liabilities	4,5 and 6	814,568	2	630,309	2
Lease liabilities, current	4,6 and 7	102,826	-	97,380	-
Other current liabilities		176,118	-	121,832	-
Advanced receipts		1,141	-	8,768	-
Current portion of long-term loans	4,6 and 8	560,000	2	812,000	2
Total current liabilities		<u>7,961,905</u>	<u>22</u>	<u>7,806,875</u>	<u>23</u>
Non-current liabilities					
Long-term loans	4,6 and 8	3,492,892	10	2,188,000	6
Provisions, non-current	4 and 6	6,900	-	6,900	-
Deferred tax liabilities	4,5 and 6	3,197	-	1,029	-
Lease liabilities, non-current	4,6 and 7	358,601	1	182,222	1
Long-term notes and bills payable	6 and 8	-	-	599,865	2
Net defined benefit liabilities, non-current	4,5 and 6	65,170	-	109,078	-
Guarantee deposits	7	12,472	-	21,493	-
Total non-current liabilities		<u>3,939,232</u>	<u>11</u>	<u>3,108,587</u>	<u>9</u>
Total liabilities		<u>11,901,137</u>	<u>33</u>	<u>10,915,462</u>	<u>32</u>
Equity attributable to the parent					
Capital					
Common stock	4 and 6	11,800,000	33	11,800,000	35
Additional paid-in capital	6	1,203,816	3	1,189,725	3
Retained earnings	6				
Legal reserve		2,640,765	7	2,228,195	7
Special reserve		1,874,430	5	1,874,430	5
Unappropriated earnings		7,042,514	19	6,281,390	18
Total Retained earnings		<u>11,557,709</u>	<u>31</u>	<u>10,384,015</u>	<u>30</u>
Other components of equity	6	(62,554)	-	(103,470)	-
Treasury stock	6	(4,789)	-	(4,789)	-
Total equity		<u>24,494,182</u>	<u>67</u>	<u>23,265,481</u>	<u>68</u>
Total liabilities and equity		<u>\$36,395,319</u>	<u>100</u>	<u>\$34,180,943</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	2023		2022	
		Amount	%	Amount	%
Operating revenue	4,5,6 and 7	\$17,870,020	100	\$16,984,058	100
Operating costs	6 and 7	(13,486,810)	(75)	(13,335,946)	(79)
Gross profit		4,383,210	25	3,648,112	21
Operating expenses	4,5,6 and 7				
Sales and marketing expenses		(109,313)	(1)	(112,151)	(1)
General and administrative expenses		(497,293)	(3)	(473,988)	(3)
Research and development expenses		(30,397)	-	(19,447)	-
Expected credit losses		(6,000)	-	(12,001)	-
Subtotal		(643,003)	(4)	(617,587)	(4)
Operating income		3,740,207	21	3,030,525	17
Non-operating income and loss	4,6 and 7				
Interest income		8,191	-	4,001	-
Other income		85,555	-	84,963	1
Other gains and losses		353,232	2	1,695,663	10
Finance costs		(89,553)	(1)	(56,774)	-
Share of profit or loss of subsidiaries, associates and joint ventures	4	339,413	2	190,385	1
Subtotal		696,838	3	1,918,238	12
Income before income tax		4,437,045	25	4,948,763	29
Income tax expense	4,5 and 6	(906,067)	(5)	(816,545)	(5)
Net income		3,530,978	20	4,132,218	24
Other comprehensive income	4 and 6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		3,804	-	2,020	-
Unrealized gains (loss) from equity instruments investments measured at fair value through other comprehensive income		130,667	1	(219,697)	(1)
Remeasurements of defined benefit plans of subsidiaries, associates and joint ventures		(322)	-	505	-
Unrealized (loss) gains from equity instruments investments measured at fair value through other comprehensive income of subsidiaries, associates and joint ventures		(100,420)	(1)	(147,482)	(1)
Income tax related to items that will not be reclassified		(761)	-	(404)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		10,311	-	225,925	1
Total other comprehensive income (loss), net of tax		43,279	-	(139,133)	(1)
Total comprehensive income		\$3,574,257	20	\$3,993,085	23
Earnings per share (NT\$)	6				
Basic earnings per share		\$3.00		\$3.51	
Diluted earnings per share		\$2.99		\$3.49	

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Other Components of Equity			
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at fair value through other comprehensive income		
	Common Stock	Additional Paid-in Capital						Treasury Stock	Total Equity
Balance as of January 1, 2022	\$11,800,000	\$1,183,587	\$1,945,291	\$1,874,430	\$4,562,598	\$(633,628)	\$662,769	\$(4,789)	\$21,390,258
Appropriations and distributions of 2021 unappropriated earnings									
Legal reserve	-	-	282,904	-	(282,904)	-	-	-	-
Cash dividends	-	-	-	-	(2,124,000)	-	-	-	(2,124,000)
Other changes in capital reserve									
Donated surplus	-	270	-	-	-	-	-	-	270
Net income in 2022 (note)	-	-	-	-	4,132,218	-	-	-	4,132,218
Other comprehensive (loss) income, net of tax in 2022	-	-	-	-	2,121	225,925	(367,179)	-	(139,133)
Total comprehensive income	-	-	-	-	4,134,339	225,925	(367,179)	-	3,993,085
Parent company's cash dividends received by subsidiaries	-	5,609	-	-	-	-	-	-	5,609
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	259	-	-	-	-	-	-	259
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(8,643)	-	8,643	-	-
Balance as of December 31, 2022	\$11,800,000	\$1,189,725	\$2,228,195	\$1,874,430	\$6,281,390	\$(407,703)	\$304,233	\$(4,789)	\$23,265,481
Balance as of January 1, 2023	\$11,800,000	\$1,189,725	\$2,228,195	\$1,874,430	\$6,281,390	\$(407,703)	\$304,233	\$(4,789)	\$23,265,481
Appropriations and distributions of 2022 unappropriated earnings									
Legal reserve	-	-	412,570	-	(412,570)	-	-	-	-
Cash dividends	-	-	-	-	(2,360,000)	-	-	-	(2,360,000)
Other changes in capital reserve									
Donated surplus	-	7,794	-	-	-	-	-	-	7,794
Net income in 2023	-	-	-	-	3,530,978	-	-	-	3,530,978
Other comprehensive (loss) income, net of tax in 2023	-	-	-	-	2,721	10,311	30,247	-	43,279
Total comprehensive income	-	-	-	-	3,533,699	10,311	30,247	-	3,574,257
Parent company's cash dividends received by subsidiaries	-	6,232	-	-	-	-	-	-	6,232
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	65	-	-	-	-	-	-	65
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(5)	-	358	-	353
Balance as of December 31, 2023	\$11,800,000	\$1,203,816	\$2,640,765	\$1,874,430	\$7,042,514	\$(397,392)	\$334,838	\$(4,789)	\$24,494,182

The accompanying notes are an integral part of the parent company only financial statements.

Note: Profit sharing bonus to employees and compensation to directors and supervisors are both NT\$157,939 thousand and NT\$141,608 thousand for the years ended December 31, 2022 and 2023, which have already been excluded from statements of comprehensive income.

GOLDSUN BUILDING MATERIALS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Description	2023	2022
Cash flows from operating activities:		
Net income before tax	\$4,437,045	\$4,948,763
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Depreciation	381,100	353,385
Amortization	5,934	6,775
Expected credit losses	6,000	12,001
Interest expense	89,553	56,774
Interest income	(8,191)	(4,001)
Dividend income	(55,258)	(58,789)
Gain on disposal of investments	(11,165)	-
Share of profit or loss of subsidiaries, associates and joint ventures	(339,413)	(190,385)
Gain on disposal of property, plant and equipment	(373,403)	(4,392)
Loss on disposal of investment property	(1,036)	261
Impairment loss on investment property	-	20,020
Gain on disposal of non-current assets held for sale	-	(1,743,181)
Other income	-	1,232
Gain on lease modification	(95)	(1,883)
Changes in operating assets and liabilities:		
Notes receivable, net	110,093	137,266
Notes receivable - related parties, net	3,182	-
Accounts receivable, net	(570,878)	(79,000)
Accounts receivable - related parties, net	6,563	(10,976)
Other receivables	8,336	(2,071)
Other receivables - related parties	7,803	(6,837)
Inventories, net	(55,560)	(150,263)
Prepayments	13,021	66,615
Long-term receivable	(8,130)	(185)
Notes payable	(75,931)	(117,882)
Accounts payable	8,026	(372,954)
Accounts payable - related parties	(86,414)	59,526
Other payables	26,624	445,194
Other current liabilities	23,026	29,886
Advanced receipts	(7,627)	(7,553)
Net defined liabilities, non-current	(40,865)	(47,742)
Cash inflow generated from operations	3,492,340	3,339,604
Interest received	8,191	4,001
Interest paid	(90,014)	(52,258)
Income tax paid	(644,100)	(713,560)
Net cash provided by operating activities	2,766,417	2,577,787
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(16,183)	(28,788)
Proceeds from disposal of financial assets at fair value through other comprehensive income	7,529	-
Decrease in financial assets at amortized cost	60,000	28,988
Acquisition of investments accounted for under the equity method	(18,360)	(611,306)
Cash returns from capital reduction of investments accounted for under the equity method	860,971	-
Proceeds from disposal of property, plant and equipment	394,669	11,774
Acquisition of property, plant and equipment	(2,104,093)	(2,272,978)
Proceeds from disposal of investment property	1,052	50
Acquisition of investment property	(269)	(2,098,593)
Proceeds from disposal of non-current assets held for sale	-	2,316,496
Proceeds from disposal of intangible assets	-	92
Acquisition of intangible assets	(3,185)	(2,693)
(Increase) decrease in prepayment for equipment	(66,798)	682
Increase in refundable deposits	(2,921)	(10,291)
Decrease in prepayments for investments	-	194,070
Dividends received	172,078	200,250
Net cash used in investing activities	(715,510)	(2,272,247)
Cash flows from financing activities:		
Increase in short-term loans	75,000	1,730,000
Decrease in short-term notes and bills payable	199,961	-
Increase in other payables - related parties	23,861	50,000
Increase in long-term loans	3,762,892	3,290,000
Decrease in long-term loans	(2,710,000)	(2,040,000)
Decrease in long-term notes payable	(599,865)	(1,196,995)
Decrease in guarantee deposits	(9,021)	(10,462)
Cash payments for the principal portion of the lease liability	(122,332)	(121,734)
Cash dividends paid	(2,360,000)	(2,124,000)
Donated surplus	7,854	(59)
Net cash used in financing activities	(1,731,650)	(423,250)
Net increase (decrease) in cash and cash equivalents	319,257	(117,710)
Cash and cash equivalents at beginning of year	780,390	898,100
Cash and cash equivalents at end of year	\$1,099,647	\$780,390

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese
GOLDSUN BUILDING MATERIALS CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

GOLDSUN BUILDING MATERIALS CO., LTD. (“the Company”) was incorporated under the laws of the Republic of China (“R.O.C.”) in November 1954. The Company is engaged mainly in the production and sales pre-mixed concrete and building rental. In March 1978, the Company listed its shares of stock on the Taiwan Stock Exchange (“TWSE”). The Company’s registered office and the main business location is at 7F, No.8, Xinhua 1st Rd., Neihu Dist., Taipei City, Taiwan (R.O.C.)

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 were authorized for issue by the Board of Directors on February 29, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied International Financial Reporting Standards, International

Accounting Standards, and Interpretations issued, revised or amended which are endorsed by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. There were not newly adopted or revised standards and interpretations that have material impact on the Company’s financial position and performance.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The standards and interpretations have no material impact on The Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, either not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

- (a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Company is still currently determining the potential impact of the standards and interpretations listed above except for (b), it is not practicable to estimate their impact on the Company at this point in time.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT\$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at its functional currency rates prevailing at the date of the transaction. Non-monetary items measured at fair

value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 39 Financial Instruments : Recognition and Measurement are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in

that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Company holds the asset primarily for the purpose of trading
- C. The Company expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Company expects to settle the liability in its normal operating cycle
- B. The Company holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including fixed-term deposits that have maturities of 3 months from the date of acquisition).

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the delivery date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- a. the Company's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- a. assets in order to collect contractual cash flows and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- a. Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss or retained earnings as a reclassification adjustment.
- c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - iii. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - iv. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as

financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- c. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- a. The rights to receive cash flows from the asset have expired
- b. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- c. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or to be received including any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss (for debt instruments) or directly in retained earnings (for equity instruments).

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the Company allocates the previous carrying amount of the larger financial asset between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. Any cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated that had been recognized in other comprehensive income, is recognized in profit or loss or directly in retained earnings.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if

the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- a. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

- b. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- a. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- b. a Company of financial liabilities or financial assets and financial liabilities is managed, and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost based on a weighted average cost basis.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less

estimated costs of completion and the estimated costs necessary to make the sale.

(10) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(11) Investments accounted for under the equity method

The investment in a subsidiary is according to “Rule Governing the Preparation of Financial Statements 21 by Securities Issuers”. Therefore, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements. According to IFRS 10 – Consolidated Financial Statements, agreeing with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

The Company’s investment in its associate is accounted for under the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate is eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorate basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be

received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

For investments of joint control units except for assets held for sale, the company also adopted equity method. Joint control unit means that the Company has joint control and involves in foundation of company, partnership, or other units.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery and equipment	2~10 years
Transportation equipment	2~10 years
Right-of-use assets	2~15 years
Other equipment	3~5 years
Lease improvement	2~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Company that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	30~55 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control

the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- B. variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date.
- C. amounts expected to be payable by the lessee under residual value guarantees.
- D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and.
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. Cost of right-of-use asset contains:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all

the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life (3~5 years)
Internally generated or acquired	Acquired

(16) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is

expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

(18) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(19) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Company sells merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is pre-mixed concrete and cement. Revenue is recognized based on the consideration stated in the contract.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 90 to 120 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. The other part of the accounts receivable is the contract between the Company and the customer to deliver the promised goods or services to the customer, but the payment period is more than one year according to the contract. Therefore, the Company adjusts the transaction price for the time value of money. However, some of the contracts are subject to partial consideration for the customers before the transfer of the goods. The Company is obliged to undertake the subsequent transfer of the goods and is therefore recognized as a contract liability.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(22) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The surtax for undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

In the process of applying the Company's accounting policies, management made the following judgments, which have the most significant effect on the amounts recognized in the parent company only financial statements:

A. Investment properties

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold

separately, the Company accounts for the portions separately as investment properties and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion that is owner-occupied is under 5% of the total property.

B. Operating lease commitment – Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties, and accounts for the contracts as operating leases.

C. De facto control without a majority of the voting rights in subsidiaries

The Company does not have majority of the voting rights in certain subsidiaries. However, after taking into consideration factors such as absolute size of the Company's holding, relative size of the other shareholdings, how widely spread are the remaining shareholders, contractual arrangements between shareholders, potential voting rights, etc., the Company reached the conclusion that it has de facto control over these subsidiaries. Please refer to Note 4(3) for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

C. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases. Please refer to Note 6 for more details.

D. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for disclosure on unrecognized deferred tax assets of the Company as of December 31, 2023.

E. Accounts receivables—estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	As of December 31,	
	2023	2022
Cash on hand and petty cash	\$4,600	\$4,550
Checking accounts and demand deposits	871,756	588,278
Time deposits	161,546	187,562
Cash equivalents (Note)	61,745	-
Total	<u>\$1,099,647</u>	<u>\$780,390</u>

Note: Cash equivalents is bank's short-term bill that have maturity within 3 months.

(2) Financial assets at fair value through profit or loss, Current

	As of December 31,	
	2023	2022
Mandatorily measured at fair value through profit or loss		
-Unlisted company's stocks	<u>\$441,226</u>	<u>\$-</u>

Please refer to Note 6(8) and Note 6(27) for more details.

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2023	2022
Equity instrument investments measured at fair value through other comprehensive income:		
Listed companies' stocks	\$1,371,387	\$1,229,593
Unlisted companies' stocks	99,339	101,459
Total	<u>\$1,470,726</u>	<u>\$1,331,052</u>
Current	\$660,975	\$635,311
Non-current	809,751	695,741
Total	<u>\$1,470,726</u>	<u>\$1,331,052</u>

Please refer to Note 8 for more details on financial assets at fair value through other comprehensive income under pledge.

In consideration of the Company's investment strategy, the Company sold, and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2023 and 2022 are as follow:

	For the years ended December 31,	
	2023	2022
The fair value of the investments at the date of derecognition	\$-	\$-
The cumulative gain or (loss) on disposal reclassified from other equity to retained earnings	(5)	(8,643)

(4) Financial assets measured at amortized cost

	As of December 31,	
	2023	2022
Time deposit	\$32,775	\$92,775
Current	\$28,000	\$92,775
Non-current	4,775	-
Total	\$32,775	\$92,775

Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(5) Notes receivable

	As of December 31,	
	2023	2022
Notes receivables arising from operating activities	\$911,374	\$1,024,649
Less: loss allowance	(497)	(404)
Total	\$910,877	\$1,024,245

Notes receivable were not pledged.

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 6(20) for more details on loss allowance and Note 12 for details on credit risk.

(6) Accounts receivable, accounts receivable from related parties, and long-term receivables

Accounts receivable and accounts receivable – related parties

	As of December 31,	
	2023	2022
Accounts receivable	\$5,517,181	\$4,946,303
Less: loss allowance	(81,416)	(82,608)
Subtotal	\$5,435,765	4,863,695

	As of December 31,	
	2023	2022
Accounts receivable – related parties	30,647	37,210
Less: loss allowance	-	-
Subtotal	30,647	37,210
Total	\$5,466,412	\$4,900,905

Long-term receivable

	As of December 31,	
	2023	2022
Overdue receivables	\$82,932	\$77,777
Less: loss allowance	(66,346)	(62,222)
Total	\$16,586	\$15,555

Accounts receivable were not pledged.

Accounts receivable are generally on 90~120 day terms. The total carrying amount as of December 31, 2023 and 2022 were NT\$5,630,760 thousand and NT\$5,061,290 thousand, respectively. Please refer to Note 6(20) for more details on loss allowance of accounts receivable for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	As of December 31,	
	2023	2022
Raw materials	\$391,309	\$335,749
Building for sale	9,689	79,872
Land of construction	-	210,368
Total	\$400,998	\$625,989

The cost of inventories recognized in expenses amounted to NT\$10,525,494 thousand and NT\$10,486,042 thousand for the years ended December 31, 2023 and 2022, respectively.

The buildings for sale amounted to NT\$70,183 thousand and land of construction amounted to NT\$210,368 thousand were reclassified to investment property in 2023 because of being for rent in the future. Please refer to Note 6(10) for more details

Please refer to Note 8 for more details on land of construction under pledge.

(8) Investments accounted for under the equity method

Investees	As of December 31,			
	2023		2022	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in subsidiaries:				
RUEI SHIN CONSTRUCTIN CO., LTD	\$1,589,188	100%	\$1,584,942	100%
WELLPOOL CO., LTD.	554,875	51%	563,583	51%
GOLDSUN NIHON CEMENT CO., LTD. (Note 1)	163,899	60%	155,536	59%
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	432,249	100%	397,827	100%
EASE GREAT INVESTMENT LTD. (Note 2)	2,702,076	100%	3,354,459	100%
HUA YA DEVELOPMENT CO., LTD. (Note 3)	240,251	41%	244,065	41%
TAIPEI PORT TERMINAL COMPANY LIMITED	2,498,192	100%	2,477,455	100%
JIN SHUN MARITIME LIMITED (Note 4)	-	-%	436,993	100%
YUAN SHUN MARITIME LIMITED	484,862	100%	466,942	100%
JING SHUN MARITIME LIMITED	316,058	100%	306,298	100%
FENG SUN MARITIME LIMITED	196,374	100%	173,623	100%
HUI SHUN MARITIME LIMITED (Note 5)	203,389	100%	245,428	100%
TAIWAN BUILDING MATERIALS (HONG KONG) LMITED	205,724	100%	339,431	100%
GOYU BUILDING MATERIALS CO., LTD	269,386	70%	256,299	70%
GIMPO MARINE CO., LTD.	98,243	100%	94,608	100%
REIXIN ASSET MANAGEMENT INC.	1,048,730	100%	1,045,206	100%
LAKE VERNICIA DEVELOPMENT COMPANY	219	100%	374	100%
GALC Inc.	<u>29,818</u>	70%	<u>28,188</u>	70%
Subtotal	<u>11,033,533</u>		<u>12,171,257</u>	
Investments in associates:				
RAIXIN QUALITY PRODUCTS LTD.(Note 6)	19,189	42%	15,738	39%
Total	<u>\$11,052,722</u>		<u>\$12,186,995</u>	

Note1 : The Company acquired 150,000 shares and 90,000 shares of the issued shares of Goldsun Nihon Cement Co., Ltd. on April 24 and July 24, 2023, respectively. The shareholding percentage increased to 60%. The transaction is detailed in Note 6 (27).

Note 2 : In June 2023, EASE GREAT INVESTMENT LTD. conducted a capital reduction and returned US\$28,200 thousand.

Note 3 : HUA YA DEVELOPMENT CO., LTD., issued 8,800 thousand new shares on March 31, 2022, the Company purchased the new shares, therefore the shareholding percentage increased to 41%. Please ref to Note 6(27) for more detail .

Note 4 : On November 10, 2023, JIN SHUN MARITIME LIMITED had undergone

dissolution and liquidation. The Company has lost control over it and has reclassified it as a financial asset measured at fair value through profit or loss, amounting to NT\$441,226 thousand. The transaction is detailed in Note 6 (27).

Note 5 : In 2022, the Company made an additional investment of US\$9,000 thousand in HUI SHUN MARITIME LIMITED.

Note 6 : RAIXIN QUALITY PRODUCTS LTD. held a capital injection on April 10, 2023. The Company acquired new shares not in proportionate to ownership interest, therefore the Company's shareholding percentage increased to 42%.

Please refer to Note 8 for more details on investments accounted for under the equity method under pledge.

A. Investments in subsidiaries

Investments in subsidiaries was accounted for investment accounted for under equity method when preparing the parent company only financial statements.

Please refer to Note 8 for more details on investments in subsidiaries under pledge.

B. Investments in associates

Investment in associate has not a quoted market price as of December 31, 2023 and 2022.

Investments in associates were not pledged.

The summarized financial information of the associates is as follows:

	For the years ended December 31,	
	2023	2022
Loss from continuing operations	\$(11,549)	\$(8,289)
Other comprehensive income (post-tax)	-	-
Total comprehensive income	\$(11,549)	\$(8,289)

The associates had no contingent liabilities or capital commitments and weren't pledged as of December 31, 2023 and 2022.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Lease assets and improvement	Construction in progress and equipment awaiting examination	Other equipment	Total
Cost:								
As of January 1, 2023	\$3,257,234	\$1,049,452	\$1,763,688	\$1,024,842	\$162,903	\$2,914,555	\$109,388	\$10,282,062
Additions	828	9,452	123,632	97,621	12,308	1,830,472	29,780	2,104,093
Disposals	(9,767)	(29,391)	(138,895)	(68,943)	(6,070)	-	(4,595)	(257,661)
Transfers	-	3,375	33,784	-	741	(53,024)	-	(15,124)
As of December 31, 2023	\$3,248,295	\$1,032,888	\$1,782,209	\$1,053,520	\$169,882	\$4,692,003	\$134,573	12,113,370

						Construction in progress and equipment		
	Land	Buildings	Machinery and equipment	Transportation equipment	Lease assets and improvement	awaiting examination	Other equipment	Total
As of January 1, 2022	\$3,305,230	\$1,143,340	\$1,803,754	\$1,046,764	\$145,401	\$813,444	\$93,249	\$8,351,182
Additions	8,949	9,909	97,034	25,103	15,467	2,095,105	21,411	2,272,978
Disposals	(1,909)	(85,933)	(162,558)	(47,025)	(3,315)	-	(5,395)	(306,135)
Transfers	(55,036)	(17,864)	25,458	-	5,350	6,006	123	(35,963)
As of December 31, 2022	<u>\$3,257,234</u>	<u>\$1,049,452</u>	<u>\$1,763,688</u>	<u>\$1,024,842</u>	<u>\$162,903</u>	<u>\$2,914,555</u>	<u>\$109,388</u>	<u>\$10,282,062</u>
Depreciation:								
As of January 1, 2023,	\$-	\$675,318	\$1,398,433	\$628,697	\$126,973	\$-	\$79,943	\$2,909,364
Depreciation	-	37,097	94,035	81,635	10,247	-	9,632	232,646
Disposals	-	(27,361)	(134,521)	(64,893)	(5,076)	-	(4,544)	(236,395)
As of December 31, 2023	<u>\$-</u>	<u>\$685,054</u>	<u>\$1,357,947</u>	<u>\$645,439</u>	<u>\$132,144</u>	<u>\$-</u>	<u>\$85,031</u>	<u>\$2,905,615</u>
As of January 1, 2022,	\$-	\$723,488	\$1,488,528	\$590,557	\$122,303	\$-	\$79,303	\$3,004,179
Depreciation	-	37,632	71,314	80,972	7,985	-	6,035	203,938
Disposals	-	(85,802)	(161,409)	(42,832)	(3,315)	-	(5,395)	(298,753)
As of December 31, 2022	<u>\$-</u>	<u>\$675,318</u>	<u>\$1,398,433</u>	<u>\$628,697</u>	<u>\$126,973</u>	<u>\$-</u>	<u>\$79,943</u>	<u>\$2,909,364</u>
Impairment:								
As of January 1, 2023	\$-	\$322	\$987	\$-	\$-	\$-	\$-	\$1,309
Impairment	-	-	-	-	-	-	-	-
As of December 31, 2023	<u>\$-</u>	<u>\$322</u>	<u>\$987</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,309</u>
As of January 1, 2022	\$-	\$322	\$987	\$-	\$-	\$-	\$-	\$1,309
Impairment	-	-	-	-	-	-	-	-
As of December 31, 2022	<u>\$-</u>	<u>\$322</u>	<u>\$987</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>\$1,309</u>
Net carrying amount as of:								
December 31, 2023	<u>\$3,248,295</u>	<u>\$347,512</u>	<u>\$423,275</u>	<u>\$408,081</u>	<u>\$37,738</u>	<u>\$4,692,003</u>	<u>\$49,542</u>	<u>9,206,446</u>
December 31, 2022	<u>\$3,257,234</u>	<u>\$373,812</u>	<u>\$364,268</u>	<u>\$396,145</u>	<u>\$35,930</u>	<u>\$2,914,555</u>	<u>\$29,445</u>	<u>\$7,371,389</u>

The major components of the buildings are main building structure and pre-mixed equipments, which are depreciated 55 years and 5~ 20 years, respectively.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(10) Investment property

	Land	Buildings	Total
Cost:			
As of January 1, 2023	\$4,111,117	\$583,324	4,694,441
Additions from acquisitions	-	269	269
Disposals	(16)	-	(16)
Transfers	210,368	80,624	290,992
As of December 31, 2023	<u>\$4,321,469</u>	<u>\$664,217</u>	<u>\$4,985,686</u>

	Land	Buildings	Total
As of January 1, 2022	\$1,959,466	\$583,397	\$2,542,863
Additions from acquisitions	2,096,615	1,978	2,098,593
Disposals	-	(2,051)	(2,051)
Transfers	55,036	-	55,036
As of December 31, 2022	<u>\$4,111,117</u>	<u>\$583,324</u>	<u>4,694,441</u>
Depreciation:			
As of January 1, 2023	\$-	\$279,645	\$279,645
Depreciation	-	23,509	23,509
Disposals	-	-	-
As of December 31, 2023	<u>\$-</u>	<u>\$303,154</u>	<u>\$303,154</u>
As of January 1, 2022	\$-	\$257,022	\$257,022
Depreciation	-	24,363	24,363
Disposals	-	(1,740)	(1,740)
As of December 31, 2022	<u>\$-</u>	<u>\$279,645</u>	<u>\$279,645</u>
Impairment:			
As of January 1, 2023	\$-	\$28,093	\$28,093
Impairment	-	-	-
Transfers	-	10,408	10,408
As of December 31, 2023	<u>\$-</u>	<u>\$38,501</u>	<u>\$38,501</u>
As of January 1, 2022	\$-	\$8,073	\$8,073
Impairment	-	20,020	20,020
As of December 31, 2022	<u>\$-</u>	<u>\$28,093</u>	<u>\$28,093</u>
Net carrying amount as of:			
December 31, 2023	<u>\$4,321,469</u>	<u>\$322,562</u>	<u>\$4,644,031</u>
December 31, 2022	<u>\$4,111,117</u>	<u>\$275,586</u>	<u>\$4,386,703</u>

	For the years ended December 31,	
	2023	2022
Rental income from investment property	\$46,618	\$48,712
Less : Direct operating expense generated from rental income of investment property	(45,848)	(53,679)
Total	<u>\$770</u>	<u>\$(4,967)</u>

Please refer to Note 8 for more details on investment property under pledge.

The fair value of investment properties was NT\$7,594,755 thousand as of December 31, 2023. The fair value hasn't been determined based on valuations performed by an independent valuer. The valuation method used is land development analysis approach which supporting by market evidence and current land value.

The fair value of investment properties was NT\$7,029,634 thousand as of December 31, 2022. The fair value hasn't been determined based on valuations performed by an independent valuer. The valuation method used is land development analysis approach which supporting by market evidence and current land value.

Part of the lands in investment property were held temporarily under third parties' names because of regulatory requirements. The relevant security procedures have been fully implemented.

(11) Intangible assets

	For the years ended December 31,	
	2023	2022
Cost:		
Beginning Balance	\$48,706	\$44,977
Addition-acquired separately	3,185	2,693
Disposals	-	(175)
Transfers	-	1,211
Ending Balance	<u>\$51,891</u>	<u>\$48,706</u>
Amortization:		
Beginning Balance	\$39,168	\$32,476
Amortization	5,934	6,775
Disposals	-	(83)
Ending Balance	<u>\$45,102</u>	<u>\$39,168</u>
Net carrying amount as of:		
Ending Balance	<u>\$6,789</u>	<u>\$9,538</u>

Recognized as amortized amount of intangible assets are as follows.

	2023	2022
Operating costs	<u>\$404</u>	<u>\$389</u>
Operating expenses	<u>\$5,530</u>	<u>\$6,386</u>

(12) Short-term loans

	As of December 31,	
	2023	2022
Unsecured bank loans	\$805,000	\$958,000
Secured bank loans	<u>1,900,000</u>	<u>1,672,000</u>
Total	<u>\$2,705,000</u>	<u>\$2,630,000</u>
Interest rates		
Unsecured bank loans	1.70%~1.88%	1.48%~1.71%
Secured bank loans	1.71%~1.92%	1.48%~2.00%

The Company's unused lines of credits (included short-term and long-term loans) amounted to NT\$11,147,668 thousand and NT\$11,726,500 thousand as of December 31, 2023 and 2022,

respectively.

Please refer to Note 8 for more details on assets pledged as security for loans.

(13) Short-term notes and bills payable

	2023.12.31	2022.12.31
Issued with the guarantee of a financial institution	\$200,000	\$-
Less: Unamortized discount	(39)	-
Net amount	<u>\$199,961</u>	<u>\$-</u>
Interest rates	1.52%	-

Please refer to Note 8 for more details on assets pledged as security for issuing commercial paper.

(14) Long-term loans

Details of long-term loans are as follows:

Lenders	As of December 31, 2023	Maturity date and terms of repayment
Secured Long-term Loan from Bank of Taiwan	\$2,000,000	Effective on January 12, 2024, principal payable semi-annually, A total of 8 instalments and each payment will be NT\$250,000 thousand, interest paid every month.
Unsecured Long-term Loan from Bank of CHB	100,000	Effective on December 27, 2023 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December, 2026.
Unsecured Long-term Loan from Bank of Hua Nan	300,000	Effective on November 29, 2023 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on November 29, 2026.
Unsecured Long-term from Bank of East Asia (Note)	300,000	Effective on October 30, 2023 (the first drawdown date), the first installment shall be made after the first 12 months, and every six months thereafter. The principal shall be repaid in five equal installments of 20% of the principal.
Secured Long-term Loan from Bank of CHB	300,000	Effective on December 27, 2023 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December, 2026.
Unsecured Long-term Loan from Bank of CHB	188,000	Effective on March 31, 2023 (the grant day). The grace period is three years. The principal shall be repaid monthly after the Grace Period.

Lenders	As of December	
	31, 2023	Maturity date and terms of repayment
Unsecured Long-term Loan from Bank of Mega	400,000	Effective on July 12, 2023 (the first drawdown date), the first installment shall be made after the first 18 months, and every three months thereafter.
Unsecured Long-term Loan from Bank of Land	150,222	Effective on April 20, 2023 (the grant day). The grace period is three years. The principal shall be repaid monthly after the Grace Period.
Unsecured Long-term Loan from Bank of Hua Nan	314,670	Effective on January 30, 2023 (the grant day). The grace period is three years. The principal shall be repaid monthly after the Grace Period.
Subtotal	4,052,892	
Less: current portion	(560,000)	
Total	\$3,492,892	
Interest rates	1.3%~2.185%	

Lenders	As of December	
	31, 2022	Maturity date and terms of repayment
Unsecured Long-term from Bank of East Asia (Note)	\$210,000	Effective on August 18, 2019 (the first drawdown). Principal payable semi-annually after 12 months. A total of 5 instalments of which were amortized at an average of 20% of the principal.
Secured Long-term Loan from Bank of Taiwan	1,420,000	Effective on January 12, 2024, principal payable semi-annually, A total of 8 instalments, and each payment will be NTD\$250,000 thousand, interest paid every month.
Secured Long-term Loan from Bank of KGI	190,000	Effective on December 1, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December 1, 2023.
Unsecured Long-term Loan from Bank of KGI	410,000	Effective on December 1, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on December 1, 2023.
Unsecured Long-term Loan from First Commercial Bank	770,000	Effective on November 29, 2022 (the grant day). Revolving use within the credit period and principal will be due in a lump-sum payment on November 29, 2024.
Subtotal	3,000,000	
Less: current portion	(812,000)	
Total	\$2,188,000	
Interest rates	1.55%~2.20%	

Note: Compliance with loan covenants

A. The Company's shares need to be listed on the Taiwan Stock Exchange.

B. The deputy chairman of the Board, Lin Ming-Sheng, and his family should keep the right

of ultimate control on the Company.

C. During the effective period of the syndicated credit agreement, following financial ratio at the end of each year must be maintained at required level.

- (a) Debt ratios (Total liabilities + Total assets) : no higher than 70%
- (b) Total equity (Total assets – Total liabilities) : no lower than NT\$13 billion
- (c) Current ratios (Total current assets / Total current liabilities) : no lower than 100%
- (d) Interest coverage ratios [(Net profit before tax + Depreciation + Amortization + Interest expense) / Interest expense] : maintained at 200%

As of December 31, 2023, the Company did not breach any such covenants above.

The Company's unused long-term lines of credits was calculated with short-term lines of credits as of December 31, 2023 and 2022, respectively. Please refer to Note 6(12).

Please refer to Note 8 for more details on assets pledged as security for long-term loans.

(15) Long-term notes and bills payable

	As of December 31,	
	2023	2022
Guaranteed by bank	\$-	\$600,000
Less: Unamortised discount	-	(135)
Net	\$-	\$599,865
Interest rates	-	1.34%

The long-term notes and bills payable with a credit line of 2,700,000 thousand is a commercial promissory note signed on April 10, 2020 with the Bank of O-bank for a two-year period during March 22, 2022 to March 21, 2024, which will be repaid at the expiration of the contract.

Please refer to Note 8 for more details on assets pledged as security for long-term notes and bills payable.

(16) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C.. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries

or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 are NT\$16,677 thousand and NT\$15,801 thousand, respectively.

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$43,112 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The average duration of the defined benefits plan obligation were 10 and 11 years as of December 31, 2023 and 2022.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022:

	For the years ended December 31,	
	2023	2022
Current period service costs	\$7,525	\$8,575
Interest expense (income) of net defined benefit liabilities (assets)	1,483	1,126
Total	\$9,008	\$9,701

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	2023.12.31	2022.12.31	2022.1.1
Defined benefit obligation	\$448,098	\$468,704	\$474,792
Plan assets at fair value	(382,928)	(359,626)	(316,356)
Other non-current liabilities – Net defined benefit liabilities recognized on the balance sheets	\$65,170	\$109,078	\$158,436

Reconciliation of liability of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2022	\$474,792	\$(316,356)	\$158,436
Current period service costs	8,575	-	8,575
Net interest expense (income)	3,371	(2,245)	1,126
Subtotal	11,946	(2,245)	9,701
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	16,714	-	16,714
Experience adjustments	4,343	(23,077)	(18,734)
Subtotal	21,057	(23,077)	(2,020)
Payments from the plan	(39,091)	39,091	-
Contributions by employer	-	(57,039)	(57,039)
As of December 31, 2022	468,704	(359,626)	109,078
Current period service costs	7,525	-	7,525
Net interest expense (income)	6,374	(4,891)	1,483
Subtotal	13,899	(4,891)	9,008
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	5,693	-	5,693
Experience adjustments	(8,285)	(1,212)	(9,497)
Subtotal	(2,592)	(1,212)	(3,804)
Payments from the plan	(31,913)	31,913	-
Contributions by employer	-	(49,112)	(49,112)
As of December 31, 2023	\$448,098	\$(382,928)	\$65,170

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2023	2022
Discount rate	1.23%	1.36%
Expected rate of salary increases	3.00%	3.00%

A sensitivity analysis for significant assumption as of December 31, 2023 and 2022 is, as shown below:

	Effect on the defined benefit obligation			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increases by 0.5%	\$-	\$(21,379)	\$-	\$(24,499)
Discount rate decreases by 0.5%	22,821	-	26,259	-
Future salary increases by 0.5%	22,304	-	25,697	-
Future salary decreases by 0.5%	-	(21,123)	-	(24,235)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(17) Provisions, non-current

Decommissioning, restoration and rehabilitation

	As of December 31,	
	2023	2022
Beginning balance	\$6,900	\$6,900
Reversal	-	-
Ending balance	\$6,900	\$6,900

A provision has been recognized for decommissioning costs associated with a factory owned by the Company. The Company is committed to decommissioning the site as a result of the construction of the factory.

(18) Equity

A. Common stock

	As of December 31,	
	2023	2022
Authorized shares (thousand shares)	2,000,000	2,000,000

	As of December 31,	
	2023	2022
Authorized capital	\$20,000,000	\$20,000,000
Issued shares (thousand shares)	1,180,000	1,180,000
Issued capital	\$11,800,000	\$11,800,000

Each at a par value of NT\$10 and each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2023	2022
Additional paid-in capital	\$551,242	\$551,242
Treasury share transactions	324,896	318,664
Changes in ownership interests in subsidiaries	187,615	187,550
Share-based payments	103,200	103,200
Donated surplus	21,602	13,808
Others	15,261	15,261
Total	\$1,203,816	\$1,189,725

According to the Company Act, the capital reserve shall not be used except for filling the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

As of December 31, 2023 and 2022, the Company's shares held by the subsidiaries were both NT\$4,789 thousand represented 3,116 thousand shares. These shares held by subsidiaries were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

D. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall be distributed as follows:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items a. and b. as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations; and

- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The Company's business environment is stable, the dividend policy shall be determined pursuant to factors such as the profitability and its future funding requirements, as well as stockholders' interest, balancing dividends and the Company's long-term financial planning. The payment of dividends shall not be less than 30% of the current year's net profit after tax minus the amount of loss compensation, statutory surplus reserve and special surplus reserve, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, a company needs distribute the legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to fill the deficit of a company. When a company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital, by issuing new shares or by distributing cash in proportion to the number of shares held by each shareholder.

When distributing the distributable profits, the Company shall make additional provision to the special reserve based on the difference between the balance of the special reserve and the net deduction of other equity in the first-time adoption of the International Financial Reporting Standards. When the net amount of other equity deductions is reversed subsequently, the reversal part shall reverse the special reserve to distribute profits.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

As of January 1, 2023 and 2022, special reserve set aside for the first-time adoption of T-IFRS amounted to NT\$1,874,430 thousand. The Company did not reverse special reserve to retained earnings for the period ended December 31, 2023 and 2022 as a result of the use, disposal of or reclassification of related assets. As of December 31, 2023 and 2022, special reserve set aside for the first-time adoption of T-IFRS amounted to NT\$1,874,430 thousand.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on February 29, 2024 and May 29, 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$353,369	\$412,570	\$-	\$-
Common stock-cash dividend	2,478,000	2,360,000	2.10	2.00

Please refer to Note 6(22) for further details on employees' compensation and remuneration to directors and supervisors.

(19) Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Sale of goods revenue	\$17,426,567	\$16,658,534
Other operating revenues	396,835	276,812
Subtotal	17,823,402	16,935,346
Lease revenue	46,618	48,712
Total	<u>\$17,870,020</u>	<u>\$16,984,058</u>

Analysis of revenue from contracts with customers during the year 2023 and 2022 is as follows:

	2023	2022
Timing of revenue recognition:		
At a point in time	<u>\$17,823,402</u>	<u>\$16,935,346</u>

(20) Expected credit losses

	Period ended 31 Dec.	
	2023	2022
Operating expenses – Expected credit (gains) losses		
Notes receivable	\$93	\$(197)
Accounts receivable	(1,192)	5,476
Long-term receivable	7,099	6,722
Total	<u>\$6,000</u>	<u>\$12,001</u>

Please refer to Note 12 for more details on credit risk.

The credit risk for the Company's financial assets at fair value through other comprehensive income and financial assets measured at amortized cost are assessed as low as of December 31, 2023 and 2022 (the same as the assessment result on January 1, 2022). Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses (loss ratio of 0 %).

The Company measures the loss allowance of its accounts receivable (including note receivables, accounts receivables and long-term receivables) at an amount equal to lifetime

expected credit losses. The assessment of the Company's loss allowance as of December 31, 2023 and 2022 is as follow:

A. The Company considers the Companying of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

December 31, 2023

Group 1: The total carrying amount of notes receivable is NT\$911,374 thousand, its loss allowance amounting to NT\$497 thousand which is measured at expected credit loss ratio of 0%~3%.

Group 2:

	Not yet due	Ageing of transaction date				Total
		90-180 days	181-365 days	1-2 years	>=2 years	
Gross carrying amount	\$4,437,125	\$919,581	\$145,686	\$44,118	\$1,318	\$5,547,828
Loss ratio	-%	5%	8%	51%	44%	
Lifetime expected credit losses	-	(46,120)	(12,178)	(22,533)	(585)	(81,416)
Total	\$4,437,125	\$873,461	\$133,508	\$21,585	\$733	\$5,466,412

Group 3: The total carrying amount of long-term receivable is NT\$82,932 thousand, its loss allowance amounting to NT\$66,346 thousand which is measured at expected credit loss ratio of 80%.

December 31, 2022

Group 1: The total carrying amount of notes receivable is NT\$1,024,649 thousand, its loss allowance amounting to NT\$404 thousand which is measured at expected credit loss ratio of 0%~3%.

Group 2:

	Not yet due	Ageing of transaction date				Total
		90-180 days	181-365 days	1-2 years	>=2 years	
Gross carrying amount	\$3,957,726	\$892,475	\$109,753	\$20,085	\$3,474	\$4,983,513
Loss ratio	-%	6%	10%	64%	81%	
Lifetime expected credit losses	-	(55,501)	(11,376)	(12,903)	(2,828)	(82,608)
Total	\$3,957,726	\$836,974	\$98,377	\$7,182	\$646	\$4,900,905

Group 3: The total carrying amount of long-term receivable is NT\$77,777 thousand, its loss allowance amounting to NT\$62,222 thousand which is measured at expected credit loss ratio of 80%.

B. The movement in the loss allowance of notes receivable, accounts receivable, and long-term receivables during the period ended December 31, 2023 and 2022 is as follows:

	Notes receivable	Accounts receivable	Long-term receivable
January 1, 2023	\$404	\$82,608	\$62,222
Addition(reversal) for the current period	93	(1,192)	7,099
Write off	-	-	(2,975)
December 31, 2023	<u>\$497</u>	<u>\$81,416</u>	<u>\$66,346</u>
January 1, 2022	\$601	\$77,132	\$88,366
Addition(reversal) for the current period	(197)	5,476	6,722
Write off	-	-	(32,866)
December 31, 2022	<u>\$404</u>	<u>\$82,608</u>	<u>\$62,222</u>

(21)Leases

A. Company as a lessee

The Company leases various properties, including real estate such as land and buildings and transportation equipment. The lease terms range from 2 to 15 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

a. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2023	2022
Land	\$433,458	\$262,011
Building	20,761	36,976
Machine equipment	10,762	12,689
Transportation equipment	8,869	11,180
Total	<u>\$473,850</u>	<u>\$322,856</u>

During the years ended December 31, 2023 and 2022, the Company's additions to right-of-use assets amounting to NT\$293,021 thousand and NT\$209,028 thousand, respectively.

ii. Lease liabilities

	As of December 31,	
	2023	2022
Lease liabilities	<u>\$461,427</u>	<u>\$279,602</u>
Current	102,826	97,380
Non-current	358,601	182,222

Please refer to Note 6(23)-D finance costs for interest expenses resulted from lease

liabilities; please refer to Note 12(5) liquidity risk management for maturity analysis of lease liabilities on December 31, 2023 and 2022.

b. Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2023	2022
Land	\$102,603	\$106,801
Building	16,215	16,824
Machine equipment	1,927	551
Transportation equipment	4,200	908
Total	<u>\$124,945</u>	<u>\$125,084</u>

c. Income and costs relating to leasing activities

	For the years ended December 31,	
	2023	2022
The expenses relating to short-term leases	<u>\$521</u>	<u>\$118</u>

d. Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounting to NT\$122,853 thousand and NT\$121,852 thousand, respectively.

e. Other information relating to leasing activities

Extension and termination options

Some of the Company's property rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company.

After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. Company as a lessor

Please refer to Note 6(10) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer

substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$46,618	\$48,712

For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2023 and 2022 are as follow:

	As of December 31,	
	2023	2022
Not later than one year	\$26,901	\$30,544
Later than one year but not later than two years	24,963	26,920
Later than two years but not later than three years	18,786	25,675
Later than three years but not later than four years	7,650	7,512
Later than four years but not later than five years	3,926	6,712
Later than five years	1,012	4,956
Total	\$83,238	\$102,319

(22) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2023 and 2022:

	For the years ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$646,438	\$222,554	\$868,992	\$678,880	\$215,553	\$894,433
Labor and health insurance	29,952	26,487	56,439	27,954	24,847	52,801
Pension	15,712	9,973	25,685	15,712	9,790	25,502
Remuneration to directors	-	175,508	175,508	-	212,861	212,861
Depreciation	342,161	38,939	381,100	319,602	33,783	353,385
Amortization	404	5,530	5,934	389	6,386	6,775

The Company's average headcount were 640 and 628 employees for the years ended December 31, 2023 and 2022, respectively. There were 12 and 11 non-employee directors for the years ended December 31, 2023 and 2022, respectively.

The Company's average employee benefit expenses for the years ended December 31, 2023 and 2022 amounted to NT\$1,515 thousand and NT\$1,577 thousand, respectively.

The Company's average wages and salaries for the years ended December 31, 2023 and 2022 amounted to NT\$1,384 thousand and NT\$1,450 thousand, respectively. Average salary expense changed by (4.6)%

The Company has established the Audit Committee in June 2016, the Supervisor institution has no more existed.

The Company's remuneration policy is based on the employee's job position category, jurisdiction and their contribution to the company's operations. The company would also consult the market salary level to set the fixed salary of each position, Meanwhile, the variable bonus is based on the company financial position and operation results. Remuneration for directors and employees is distributed in accordance with the company's articles of association.

Remuneration for directors is also based on their contribution and participation to the company's operations. Otherwise, managers' remuneration is paid in accordance with the company's "Manager Salary and Remuneration Standards". The remuneration of directors and managers must be reviewed and approved by the Salary and Compensation Committee and reported to the Board of Directors.

According to the Articles of Incorporation, 3% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of the year ended December 31, 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2023 both to be 3% of profit of the current year, recognized NT\$141,608 thousand as the employees' compensation and NT\$141,608 thousand as remuneration to directors and supervisors, respectively. A resolution was passed by board of directors meeting on February 29, 2024 to distribute NT\$141,608 thousand in cash as employees' compensation and NT\$141,608 thousand as remuneration to directors, respectively, for 2023. There were no significant differences between the estimated amount and the actual distribution.

A resolution was passed by the board of directors meeting on February 24, 2023 to distribute NT\$157,939 thousand in cash as employees' compensation and NT\$157,939 thousand as remuneration to directors, respectively, for 2022. There were no significant differences between the approved amount and the recorded amount.

(23) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2023	2022
Bank deposits		
Financial assets measured at amortized cost	\$7,379	\$3,585
Short-term notes and bills	376	-
Other	436	416
Total	<u>\$8,191</u>	<u>\$4,001</u>

B. Other income

	For the years ended December 31,	
	2023	2022
Dividend income	\$55,258	\$58,789
Other income-others	30,297	26,174
Total	<u>\$85,555</u>	<u>\$84,963</u>

C. Other gains and losses

	For the years ended December 31,	
	2023	2022
Gain on disposal of non-current Assets held for sale	\$-	\$1,743,181
Gain on disposal of property, plant and equipment	373,403	4,392
Gain (loss) on disposal of investment property	1,036	(261)
Gain on disposals of investments	11,165	-
Loss on impairment of investment property	(10,408)	(20,020)
Gain on lease modification	95	1,883
Foreign exchange (loss) gains, net	(17,429)	(13,587)
Other expense-others	(4,630)	(19,925)
Total	<u>\$353,232</u>	<u>\$1,695,663</u>

D. Finance costs

	For the years ended December 31,	
	2023	2022
Interest on borrowings from bank	\$78,819	\$50,520
Interest on lease liabilities	3,261	3,671
Interest on borrowings from related party	7,363	2,583
Imputed interest	110	-
Total	<u>\$89,553</u>	<u>\$56,774</u>

(24) Components of other comprehensive income

For the year ended December 31, 2023

		Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
	Arising during the period				
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$3,804	\$-	\$3,804	\$(761)	\$3,043
Unrealized (loss) gains on equity instruments investment measured at fair value through other comprehensive income	130,667	-	130,667	-	130,667
Remeasurements of defined benefit plans of subsidiaries and associates	(322)	-	(322)	-	(322)
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries and associates	(100,420)	-	(100,420)	-	(100,420)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	10,311	-	10,311	-	10,311
Total of other comprehensive (loss) income	<u>\$44,040</u>	<u>\$-</u>	<u>\$44,040</u>	<u>\$(761)</u>	<u>\$43,279</u>

For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$2,020	\$-	\$2,020	\$(404)	\$1,616
Unrealized gains on fair value through other comprehensive income equity instrument investment	(219,697)	-	(219,697)	-	(219,697)
Remeasurements of defined benefit plans of subsidiaries and associates	505	-	505	-	505
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income of subsidiaries and associates	(147,482)	-	(147,482)	-	(147,482)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	225,925	-	225,925	-	225,925
Total of other comprehensive (loss) income	<u>\$(138,729)</u>	<u>\$-</u>	<u>\$(138,729)</u>	<u>\$(404)</u>	<u>\$(139,133)</u>

(25) Income tax

The major components of income tax expense (income) as of December 31, 2023 and 2022 are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	\$847,286	\$762,848
Adjustments in respect of current income tax of prior periods	13,094	(10,738)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	16,570	64,435
Tax expense (income) recognized in the period for previously unrecognized tax loss, tax credit or temporary difference of prior periods	29,117	-
Total income tax expenses	<u>\$906,067</u>	<u>\$816,545</u>

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2023	2022
Deferred tax (expense) income:		
Remeasurements of defined benefit plans	\$(761)	\$(404)
Income tax relating to other comprehensive income	\$(761)	\$(404)

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2023	2022
Accounting profit before tax from continuing operations	\$4,437,045	\$4,948,763
Tax at the domestic rates applicable to profits in the country concerned	\$887,409	\$989,752
Tax effect of revenues exempt from taxation	(153,008)	(365,177)
Tax effect of expenses not deductible for tax purposes	(3,756)	1,880
Tax effect of deferred tax assets / liabilities	69,148	193,835
Others	57,034	6,993
Corporate income surtax on undistributed retained earnings	36,146	-
Adjustments in respect of current income tax of prior periods	13,094	(10,738)
Total income tax expense recognized in profit or loss	\$906,067	\$816,545

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2023

	Beginning balance as of January 1, 2023	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2023
Temporary differences				
Defined benefit liabilities	\$53,601	\$(8,021)	\$(761)	\$44,819
Loss allowance	16,895	(216)	-	16,679
Inventory valuation losses	1,322	-	-	1,322
Unrealized impairment loss	598,311	(37,014)	-	561,297
Decommissioning costs	1,067	90	-	1,157
Components of buildings	5,609	(79)	-	5,530
Unrealized exchange losses	3,554	1,721	-	5,275
Unrealized exchange gains	(1,029)	65	-	(964)
Unrealized disposal gains and losses	-	(2,233)	-	(2,233)
Deferred tax income		\$(45,687)	\$(761)	
Net deferred tax assets	\$679,330			\$632,882
Reflected in balance sheet as follows:				
Deferred tax assets	\$680,359			\$636,079
Deferred tax liabilities	\$(1,029)			\$(3,197)

For the year ended December 31, 2022

		Deferred tax income (expense)	
	Beginning balance as of January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax recognized in other comprehensive income
			Ending balance as of December 31, 2022
Temporary differences			
Defined benefit liabilities	\$63,473	\$(9,468)	\$(404)
Loss allowance	20,884	(3,989)	-
Inventory valuation losses	1,322	-	-
Unrealized impairment loss	655,374	(57,063)	-
Decommissioning costs	977	90	-
Components of buildings	5,570	39	-
Unrealized exchange losses	1,266	2,288	-
Unrealized exchange gains	(4,697)	3,668	-
Deferred tax income		\$(64,435)	\$(404)
Net deferred tax assets	\$744,169		\$679,330
Reflected in balance sheet as follows:			
Deferred tax assets	\$748,866		\$680,359
Deferred tax liabilities	\$(4,697)		\$(1,029)

Unrecognized deferred tax assets

As of December 31, 2023 and 2022, the aggregate deductible temporary differences for which no deferred income tax assets have been recognized amounted to NT\$360,583 thousand and NT\$279,852 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Company's overseas subsidiaries, as the Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2023 and 2022, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregate to NT\$277,896 thousand and NT\$263,610 thousand, respectively.

The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company through 2020.

(26) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares

outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	\$3,530,978	\$4,132,218
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,176,884	1,176,884
Basic earnings per share (NT\$)	\$3.00	\$3.51
	For the years ended December 31,	
	2023	2022
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	\$3,530,978	\$4,132,218
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	1,176,884	1,176,884
Effect of dilution:		
Employee bonus-stock (in thousands)	5,890	6,934
Weighted average number of ordinary shares outstanding after dilution (in thousands)	1,182,774	1,183,818
Diluted earnings per share (NT\$)	\$2.99	\$3.49

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(27) Changes in parent's interest in subsidiaries

New shares issued by subsidiary's capital increase not subscribed in proportion to the shareholding

The subsidiary, HUA YA DEVELOPMENT CO., LTD., issued 8,800 thousand new shares on March 31, 2022 for an amount of NT\$88,000 thousand. The Company purchased all of the new shares, consequently, the percentage of shareholding of HUA YA DEVELOPMENT CO., LTD. was increased to 41%. The differences between the actual acquisition and book value amounting

to NT\$259 thousand was recognized as an increase in capital surplus.

Acquisition of shares issued by subsidiaries

The Company acquired 240,000 issued shares of Goldsun Nihon Cement Co., Ltd. in 2023, paid a cash consideration of NT\$3,360 thousand to non-controlling shareholders, which caused a difference in the net value of the company's investment equity. This was recognized in equity as an increase in capital surplus of NT\$65 thousand and a decrease in non-controlling interests of NT\$3,425 thousand.

Liquidation of Subsidiary

On October 27, 2023, the board of directors of the subsidiary, JIN SHUN MARITIME LIMITED, resolved to dissolve and liquidate on November 10, 2023. As the aforementioned subsidiary has entered the liquidation process, The Company has lost control over it and has reclassified it as a financial asset measured at fair value through profit or loss, amounting to NT\$441,226 thousand.

7. Related Party Transactions

Information of the related parties that has transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Related Party Name</u>	<u>The Relationship with The Company</u>
TAIWAN SECOM CO., LTD. and subsidiaries	Group with significant influence over the Company
WELLPOOL CO., LTD.	Subsidiary
YUAN SHUN MARITIME LIMITED	Subsidiary
JIN SHUN MARITIME LIMITED(Note)	Subsidiary
JING SHUN MARITIME LIMITED	Subsidiary
FENG SHUN MARITIME LIMITED	Subsidiary
HUI SHUN MARITIME LIMITED	Subsidiary
TAIPEI PORT TERMINAL COMPANY LIMITED	Subsidiary
KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	Subsidiary
GOLDSUN NIHON CEMENT CO., LTD.	Subsidiary
REI SHIN CONSTRUCTION CO., LTD.	Subsidiary
GOYU BUILDING MATERIALS CO., LTD.	Subsidiary
GIMPO MARINE CO., LTD.	Subsidiary
REIXIN ASSET MANAGEMENT INC.	Subsidiary
LAKE VERNICIA DEVELOPMENT COMPANY	Subsidiary
GALC INC.	Subsidiary

Related Party Name	The Relationship with The Company
HWA YA DEVELOPMENT CO., LTD.	Subsidiary
RAIXIN QUALITY PRODUCTS LTD.	Associate
TRUST SANDSTONE CO., LTD.	Other related party
HOBBY WORKS CO., LTD	Other related party
FULL MAX CORPORATION LIMITED	Other related party
HQ Design CO., LTD.	Other related party
Linteng Charity Cultural and Educational Foundation	Other related party

Note : JIN SHUN MARITIME LIMITED was dissolved and liquidated on November 10, 2023. The Company has lost control over it. Please refer to Note 6(27) for more details.

(1) Operating revenue – Other operating revenue

	For the years ended December 31,	
	2023	2022
Subsidiaries	\$107,689	\$133,277
Other related parties	38,378	32,094
Total	<u>\$146,067</u>	<u>\$165,371</u>

The general terms were similar to bulk-order from non-related parties.

The sales prices and terms to related parties are equivalent to third parties.

(2) Operating costs (included purchase and other operating costs)

	For the years ended December 31,	
	2023	2022
Group with significant influence over the Company		
GOLDSUN EXPRESS & LOGISTICS CO., LTD	\$543,599	\$513,693
Others	1,457	1,159
Subsidiaries		
GOLDSUN NIHON CEMENT CO., LTD.	953,732	971,479
TAIPEI PORT TERMINAL COMPANY LIMITED	695,871	473,977
Others	173,468	165,124
Other related parties		
FULL MAX CORPORATION LIMITED	751,694	666,659
Total	<u>\$3,119,821</u>	<u>\$2,792,091</u>

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers.

(3) Accounts receivable – related parties

	As of December 31,	
	2023	2022
Subsidiaries		
WELLPOOL CO., LTD.	\$23,308	\$29,159
Others	1,994	4,597
Group with significant influence over the Company	515	509
Other related parties		
TRUST SANDSTONE CO., LTD.	4,830	2,945
Total	<u>\$30,647</u>	<u>\$37,210</u>

(4) Accounts payable – related parties

	As of December 31,	
	2023	2022
Group with significant influence over the Company		
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	\$105,500	\$102,121
Others	1,388	1,080
Subsidiaries		
GOLDSUN NIHON CEMENT CO., LTD.	93,197	113,590
TAIPEI PORT TERMINAL COMPANY LIMITED	46,350	101,565
Others	13,005	27,498
Total	<u>\$259,440</u>	<u>\$345,854</u>

(5) Other receivable – related parties

	As of December 31,	
	2023	2022
Group with significant influence over the Company		
GOLDSUN EXPRESS & LOGISTICS CO., LTD.	\$20,868	\$21,120
Subsidiaries		
FENG SHUN MARITIME LIMITED	8,456	-
YUAM SHUN MARITIME LIMITED	7,276	-
JIN SHUN MARITIME LIMITED	-	8,801
JING SHUN MARITIME LIMITED	2,828	15,192
Others	100	2,503
Associate	3	3
Other related parties	379	94
Total	<u>\$39,910</u>	<u>\$47,713</u>

(6) Prepayments

	As of December 31,	
	2023	2022
Group with significant influence over the Company	\$725	\$19,443
Other related parties	3,600	-
Total	<u>\$4,325</u>	<u>\$19,443</u>

(7) Other payables – related parties

	As of December 31,	
	2023	2022
Group with significant influence over the Company	\$15,276	\$24,829
Subsidiaries	8,585	7,600
Total	<u>\$23,861</u>	<u>\$32,429</u>

(8) Financing provided

Other payables – related parties

	For the year ended December 31, 2023				
	Maximum balance	Ending balance	Rate	Total interest disbursement	Ending interest payable
REI SHIN CONSTRUCTION CO., LTD.	<u>\$550,000</u>	<u>\$450,000</u>	1.125%~1.5%	<u>\$4,298</u>	<u>\$2,408</u>

Effective March 27, 2023 to March 19, 2024. The Company should pay in full when the loan was expired but paying off in advance was permitted.

	For the year ended December 31, 2022				
	Maximum balance	Ending balance	Rate	Total interest disbursement	Ending interest payable
REI SHIN CONSTRUCTION CO., LTD.	<u>\$550,000</u>	<u>\$450,000</u>	0.8%~1.25%	<u>\$2,583</u>	<u>\$1,660</u>

Effective January 7, 2022 to January 7, 2023. The Company should pay in full when the loan was expired but paying off in advance was permitted.

(9) Lease – Company as lessee

The lease term was based on market conditions, and rent was paid monthly.

A. Right-of-use assets

	For the year ended December 31,	
	2023	2022
Subsidiaries	<u>\$39,060</u>	<u>\$73,284</u>

During the years ended December 31, 2023 and 2022, the depreciation charge for above right-of-use assets amounting to NT\$34,225 thousand and NT\$45,680 thousand, respectively.

B. Lease liabilities

	For the year ended December 31,	
	2023	2022
Subsidiaries	\$39,097	\$74,180
Current	19,339	34,379
Non-current	19,758	39,801

During the years ended December 31, 2023 and 2022, the interest on above lease liabilities amounting to NT\$733 thousand and NT\$1,601 thousand, respectively.

C. Refundable deposits

	For the year ended December 31,	
	2023	2022
Subsidiaries	\$300	\$200

(10) Lease – Company as lessor

A. Lease revenue

	For the year ended December 31	
	2023	2022
Subsidiaries	\$6,008	\$3,300
Group with significant influence over the Company	3,912	5,815
Total	\$9,920	\$9,115

B. Guarantee deposits

	As of December 31,	
	2023	2022
Group with significant influence over the Company	\$733	\$733
Subsidiaries	649	649
Total	\$1,382	\$1,382

(11) Lease costs

	For the years ended December 31,	
	2023	2022
Group with significant influence over the Company		
GOYUN SECURITY CO., LTD.	\$2,482	\$2,404
GUOYUN TECHNOLOGY CO., LTD.	1,150	1,298
Others	421	588
Total	\$4,053	\$4,290

(12) Operating expense

	For the years ended December 31,	
	2023	2022
Group with significant influence over the Company	\$43,660	\$46,552
Subsidiaries	1,984	1,200
Other related parties	5,025	-
Total	<u>\$50,669</u>	<u>\$47,752</u>

(13) Property transactions

a. Purchase from related parties

The purchases of machinery, transport and other equipments and commission to build a business building were recognized as property plant and equipment.

	For the years ended December 31,	
	2023	2022
Group with significant influence over the Company	\$21,526	\$22,412
Subsidiaries	-	23
Other related parties	300	-
Total	<u>\$21,826</u>	<u>\$22,435</u>

b. Sell to related party

In November 2023, The Company resolved by the board of directors' resolution to sell land and buildings in Bade district, Taoyuan City, to the related party, LeeBao Security Co., Ltd. The total transaction amount is NT\$380,000 thousand. For more detailed information about the transaction, please refer to Note 4.

(14) Key management personnel compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	<u>\$202,427</u>	<u>\$256,244</u>

8. Assets pledged as Security

The following table lists assets of the Company pledged as security:

Assets pledged for security	Carrying amount		Secured liabilities
	December 31, 2023	December 31, 2022	
Inventories — Land of construction	\$-	\$210,368	Bank loan
Financial assets at fair value through other comprehensive income, current	428,655	413,895	Bank loan 、 C/P
Assets pledged for security	Carrying amount		Secured liabilities
	December 31, 2023	December 31, 2022	
Financial assets at fair value through other comprehensive income, non-current	532,721	420,000	Bank loan 、 C/P
Long-term equity investment for under the equity method (Note)	1,005,000	1,208,334	Bank loan 、 C/P
Financial assets measured at amortized cost-current	2,100	58,548	Restricted account 、 Loan guarantee
Financial assets measured at amortized cost-non current	3,675	-	Restricted account 、 Loan guarantee
Property, plant and equipment — Land and Buildings	2,890,181	1,864,811	Bank loan 、 C/P
Investment property, net	1,293,656	2,158,055	Bank loan 、 C/P
Total	<u>\$6,155,988</u>	<u>\$6,334,011</u>	

Note : The amounts were presented by fair value of open market quotation.

9. Commitments and Contingencies

- (1) Promissory notes issued by the Company to secure business needs and bank loans amounted to NT\$5,336,069 thousand as of December 31, 2023.
- (2) For Nangang Development Project, the Company signed an engineering contract with counter party in 2022. The total contract price is NT\$19,268,800 thousand.
- (3) The Fair Trade Commission alleges that the Company and other pre-mixed concrete industry participants engaged in joint conduct. As per the disposition document No. 108121 issued on April 29, 2019, and the letter No. 1121360080 dated February 20, 2023, The Company was fined NT\$20,000 thousand and NT\$50,000 thousand, respectively. These fines have been recorded as prepaid expenses. In the case filed in 2019, an administrative litigation was initiated, and the judgment on June 30, 2020 concluded that there was no violation of fair trade practices. The Fair Trade Commission appealed against this judgment, and as of December 31, 2023, there is no outcome in the litigation. In the case filed in 2023, an administrative litigation was initiated, and as of December 31, 2023, there is no outcome yet in the litigation.

(4) The Company provide endorsements or guarantees for subsidiaries, please refer to Note 13.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

On January 26, 2024, the board of directors has resolved to sell land and buildings located at Dongguang Rd., East Dist., Tainan City, owned by a subsidiary, REIXIN ASSET MANAGEMENT INC. The total transaction amount is NT\$1,639,990 thousand.

12. Others

(1) Categories of financial instruments

Financial assets

	As of December 31,	
	2023	2022
Financial assets at fair value through profit or loss	\$441,226	\$-
Financial assets at fair value through other comprehensive income	1,470,726	1,331,052
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	1,095,047	775,840
Financial assets measured at amortized cost	32,775	92,775
Notes receivable	910,877	1,024,245
Accounts receivable (including related parties)	5,466,412	4,900,905
Other receivables (including related parties)	50,286	66,425
Long-term receivable	16,586	15,555
Refundable deposits	31,467	28,546
Total	<u>\$9,515,402</u>	<u>\$8,235,343</u>

Financial liabilities

	As of December 31,	
	2023	2022
Financial liabilities at amortized cost:		
Short-term loan	\$2,705,000	\$2,630,000
Short-term notes and bills payable	199,961	-
Notes payable	103,280	179,211
Accounts payable (including related parties)	1,493,029	1,571,417
Other payables (including related parties)	1,805,982	1,755,958
Lease liabilities	461,427	279,602
Long-term loan (including due in one year)	4,052,892	3,000,000
Long-term notes and bills payable	-	599,865
Guarantee deposits	12,472	21,493
Total	<u>\$10,834,043</u>	<u>\$10,037,546</u>

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk includes currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable. In other words, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's net investments in foreign subsidiaries. The net investments in foreign subsidiaries are a strategic investment that the Company has not hedged this.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 10%, the profits for the years ended 31 December 2023 and 2022 are decreased/increased by NT\$62,000 thousand and NT\$28,745 thousand, respectively.

When NTD strengthens/weakens against CNY by 10%, the profits for the years ended 31 December 2023 and 2022 are decreased/increased by NT\$591 thousand and NT\$976 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Company manages its interest rate risk by maintaining a balanced portfolio of fixed and floating interest loans and debts, along with interest rate swaps.

The interest rate sensitivity analysis is performed on items assumed to be possessed for a fiscal year and exposed to interest rate risk as of the end of the reporting period, including borrowings with floating interest rates. The analysis indicates that when the interest rates increase / decrease by ten basis points, the Company's profit would decrease / increase by NT\$5,863 thousand and NT\$5,449 thousand for the years ended December 31, 2023 and 2022, respectively.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

The equity price sensitivity analysis is counting based on changes of fair value for a fiscal year. Assumed that when the investment price of measured at fair value through other comprehensive income of financial assets of publicly quoted entity increase / decrease by 10%, the Company's equity would increase / decrease by NT\$137,139 thousand and NT\$122,959 thousand for the year ended December 31, 2023 and 2022, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established

policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2023, and 2022, amounts receivables from top ten customers are 22% and 26%, respectively, compared to the total accounts receivables of the Company. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings and convertible bonds. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2023					
Loans	\$3,347,689	\$2,666,084	\$853,605	\$162,792	\$7,030,170
Short-term notes and bills payable	200,000	-	-	-	200,000
Notes payable	103,280	-	-	-	103,280
Accounts payables	1,493,029	-	-	-	1,493,029
Others payables	1,332,121	-	-	-	1,332,121
Others payable-related parties	473,861	-	-	-	473,861
Lease liabilities (Note)	102,826	144,312	99,903	117,570	464,611
Guarantee deposits received	12,472	-	-	-	12,472

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Loans	\$3,448,678	\$2,189,728	\$-	\$-	\$5,638,406
Notes payable	179,211	-	-	-	179,211
Accounts payable	1,571,417	-	-	-	1,571,417
Other payables	1,273,529	-	-	-	1,273,529
Others payable-related parties	485,938	-	-	-	485,938
Lease liabilities (Note)	99,659	148,638	64,146	13,954	326,397
Long-term notes and bills payable	-	600,000	-	-	600,000
Guarantee deposits received	21,493	-	-	-	21,493

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

(6) Fair values of financial instruments

Information of reconciliation for liabilities during 2023 is as follows:

	Short-term loans	Short-term notes and bills payable	Other payable – related parties	Long-term loans (including due in one year)	Long-term notes and bills payable	Lease liabilities	Guarantee deposits	Balance of liabilities arising from financing activities
2023.01.01	\$2,630,000	-	\$450,000	\$3,000,000	\$599,865	\$279,602	\$21,493	\$6,980,960
Cash flow	75,000	199,961	23,861	1,052,892	(599,865)	(122,332)	(9,021)	620,496
Non-cash change	-	-	-	-	-	304,157	-	304,157
2023.12.31	\$2,705,000	\$199,961	\$473,861	\$4,052,892	\$-	\$461,427	\$12,472	\$7,905,613

Information of reconciliation for liabilities during 2022 is as follows:

	Short-term loans	Short-term notes and bills payable	Other payable – related parties	Long-term loans (including due in one year)	Long-term notes and bills payable	Lease liabilities	Guarantee deposits	Balance of liabilities arising from financing activities
2022.01.01	\$900,000	\$-	\$400,000	\$1,750,000	\$1,796,860	\$434,481	\$31,955	\$5,313,296
Cash flow	1,730,000	-	50,000	1,250,000	(1,196,995)	(121,734)	(10,462)	1,700,809
Non-cash change	-	-	-	-	-	(33,145)	-	(33,145)
2022.12.31	\$2,630,000	\$-	\$450,000	\$3,000,000	\$599,865	\$279,602	\$21,493	\$6,980,960

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an

orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

- a. The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates etc.) at the reporting date.
- c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities). The income method assesses the recoverable amount based on the present value of the financial assets that are expected to be received from cash dividends or disposals at the market
- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

Among the fair value of the Company's financial assets and financial liabilities measured at amortized cost, cash and cash equivalents, trade receivables, trade payable, other current liabilities and bonds payable whose carrying amount approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss	\$-	\$-	\$441,226	\$441,226
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	1,371,387	-	99,339	1,470,726

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$1,229,593	\$-	\$101,459	\$1,331,052

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets	Assets
	Measured at fair value through other comprehensive income	Measured at fair value through profit and loss
	Stock	Stock
Beginning balances as of January 1, 2023	\$101,459	\$-
Acquisition	2,400	-
Capital deduction and return	(7,533)	-
Transfers	-	441,226
Total gains recognized for the year ended December 31, 2023:		
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	3,013	-
Ending balances as of December 31, 2023	\$99,339	\$441,226
Beginning balances as of January 1, 2022	\$97,534	\$-
Acquisition	12,060	-
Disposal	(8,643)	-
Total gains recognized for the year ended December 31, 2022:		
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	508	-
Ending balances as of December 31, 2022	\$101,459	\$-

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through profit or loss					
Stocks	Asset approach	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT\$44,123 thousand.
Measured at fair value through other comprehensive income					
Stocks	Market approach	Earnings per share	18.49	The higher the earnings, the higher the fair value of the stocks	10% increase (decrease) in the earnings would result in increase (decrease) in the Company's equity by NT\$3,698 thousand.
Stocks	Income approach	Discount rate	1~17.85	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Company's equity by NT\$60 thousand.
Stocks	Asset approach	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT\$5,968 thousand.

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Measured at fair value through other comprehensive income					
Stocks	Market approach	Earnings per share	7.82	The higher the earnings, the higher the fair value of the stocks	10% increase (decrease) in the earnings would result in increase (decrease) in the Company's equity by NT\$1,564 thousand.
Stocks	Income approach	Discount rate	1~16.35	The higher the discount rate, the lower the fair value of the stocks	10% increase (decrease) in the discount rate would result in increase (decrease) in the Company's equity by NT\$60 thousand.
Stocks	Asset approach	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT\$8,337 thousand.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties				
(please refer to Note 6(10))	\$-	\$-	\$7,594,755	\$7,594,755

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties				
(please refer to Note 6(10))	\$-	\$-	\$7,029,634	\$7,029,634

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(Unit: Foreign currency: thousands, NTD: thousands)			
As of 31 December, 2023			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$20,190	30.71	\$620,034
CNY	1,366	4.33	5,915
Non-monetary items:			
USD			

As of 31 December, 2022			
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	\$9,360	30.71	\$287,446
CNY	2,213	4.41	9,760
Non-monetary items:			
USD	173,337	30.71	5,323,174

Foreign exchange gains or losses on monetary financial assets and financial liabilities as below:

	For the years ended December 31,	
	2023	2022
USD	\$(18,077)	\$(17,669)
CNY	669	4,082
GBP	(21)	-

The above information is disclosed based on the carrying amount of foreign currency (after conversion of functional currency).

(9) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosure

(1) Information at significant transactions

- A. Financing provided to other: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others: Please refer to Attachment 2.
- C. Securities held: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million and 20 percent of the capital stock: None.

- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million and 20 percent of the capital stock: None.
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million and 20 percent of the capital stock: Please refer to Attachment 4.
- G. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million and 20 percent of the capital stock: Please refer to Attachment 5.
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million and 20 percent of capital stock: None.
- I. Financial instruments and derivative transactions: None.
- J. Significant intercompany transactions between consolidated entities: Please refer to Attachment 6.
- K. Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Attachment 7.

(2) Information on investments in mainland China

- A. Names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, percentage of ownership, investment income recognized, carrying amount, accumulated inward remittance of earnings, and upper limit on investment of investees in Mainland China: Please refer to Attachment 8.
- B. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: Please refer to Attachment 1, and 2.

(3) Information of Major shareholders

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Please refer to Attachment 9.

(Unit: Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of financing provider	Name of counter party	Account (Note 2)	Related Partie	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing activity (Note 3)	Amount of sales to (purchase from) counter-party	Reason for financing	Allowance for doubtful accounts	Assets pledged		Limit of financing amount for individual counter-party (Note 4)	Limit of total financing amount (Note 4)
													Item	Value		
1	REI SHIN CONSTRUCTION CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Other receivable	YES	NT\$ 550,000	NT\$ 550,000	NT\$ 450,000	1.125%-1.5%	2	\$-	Operating	\$-	-	\$-	NT\$ 775,203	NT\$ 775,203
2	REI SHIN CONSTRUCTION CO., LTD.	GIMPO MARINE CO., LTD.	Other receivable	YES	NT\$ 100,000	NT\$ 100,000	NT\$ 100,000	2.00%	2	-	Operating	-	-	-	NT\$ 775,203	NT\$ 775,203
2	KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	GIMPO MARINE CO., LTD.	Other receivable	YES	NT\$ 110,000	-	-	-	2	-	Operating	-	-	-	NT\$ 175,583	NT\$ 175,583
2	KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	Other receivable	YES	NT\$ 30,000	-	-	-	2	-	Operating	-	-	-	NT\$ 175,583	NT\$ 175,583
3	YUAN SHUN MARITIME LTD.	HUI SHUN MARITIME LTD.	Other receivable	YES	US\$ 5,500 (NT\$ 178,365)	US\$ 5,500 (NT\$ 168,905)	US\$ 4,900 (NT\$ 150,479)	2%-3.2%	2	-	Operating	-	-	-	US\$ 31,577 (NT\$ 969,724)	US\$ 31,577 (NT\$ 969,724)
		FENG SHUN MARITIME LTD.	Other receivable	YES	US\$ 1,900 (NT\$ 61,500)	US\$ 1,900 (NT\$ 46,065)	US\$ 1,000 (NT\$ 30,710)	2%-3.2%	2	-	Operating	-	-	-	US\$ 31,577 (NT\$ 969,724)	US\$ 31,577 (NT\$ 969,724)
		JIN SHUN MARITIME LTD.	Other receivable	YES	US\$ 950 (NT\$ 30,750)	-	-	-	2	-	Operating	-	-	-	US\$ 31,577 (NT\$ 969,724)	US\$ 31,577 (NT\$ 969,724)
4	JIN SHUN MARITIME LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Other receivable	NO	US\$ 14,000 (NT\$ 454,020)	14,000 (NT\$ 429,940)	NT\$ 8,000 (NT\$ 245,680)	3.05%-3.15%	2	-	Operating	-	-	-	US\$ 28,735 (NT\$ 882,452)	US\$ 28,735 (NT\$ 882,452)
5	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	YES	RMB 100,000 (NT\$ 445,000)	RMB 100,000 (NT\$ 433,000)	RMB 75,000 (NT\$ 324,750)	2.01%	2	-	Operating	-	-	-	RMB 197,726 (NT\$ 855,236)	RMB 197,726 (NT\$ 855,236)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	RMB 80,000 (NT\$ 346,400)	-	-	2	-	Operating	-	-	-	RMB 197,726 (NT\$ 855,236)	RMB 197,726 (NT\$ 855,236)
		GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	RMB 197,726 (NT\$ 855,236)	RMB 197,726 (NT\$ 855,236)
6	GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	YES	RMB 100,000 (NT\$ 445,000)	-	-	-	2	-	Operating	-	-	-	-	-
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	-	-
		GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	-	-

(Unit: Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of financing provider	Name of counter party	Account (Note 2)		Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing activity (Note 3)	Amount of sales to (purchase from) counter-party	Reason for financing	Allowance for doubtful accounts	Assets pledged		Limit of financing amount for individual counter-party (Note 4)	Limit of total financing amount (Note 4)
													Item	Value		
7	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Other receivable	YES	RMB 100,000 (NT\$ 445,000)	RMB 100,000 (NT\$ 433,000)	-	-	2	-	Operating	-	-	-	(NT\$ 318,291) (NT\$ 1,376,722)	RMB 318,291 (NT\$ 1,376,722)
		GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	RMB 80,000 (NT\$ 346,400)	-	-	2	-	Operating	-	-	-	RMB 318,291 (NT\$ 1,376,722)	RMB 318,291 (NT\$ 1,376,722)
		GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	RMB 318,291 RMB 1,376,722	RMB 318,291 (NT\$ 1,376,722)
8	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	RMB 80,000 (NT\$ 346,400)	-	-	2	-	Operating	-	-	-	RMB 345,296 (NT\$ 1,493,528)	RMB 345,296 (NT\$ 1,493,528)
		GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	RMB 80,000 (NT\$ 346,400)	-	-	2	-	Operating	-	-	-	RMB 345,296 (NT\$ 1,493,528)	RMB 345,296 (NT\$ 1,493,528)
		GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	Other receivable	YES	RMB 80,000 (NT\$ 356,000)	-	-	-	2	-	Operating	-	-	-	RMB 345,296 (NT\$ 1,493,528)	RMB 345,296 (NT\$ 1,493,528)

Note 1: The parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Fill in if the nature of financial statement account is financing.

Note 3: The method of filling out the capital loan and nature is:

(1) For business transactions fill in "1"

(2) For short-term financing funds necessity fill in "2"

Note 4: YUAN SHUN MARITIME LTD., JIN SHUN MARITIME LTD., GOLDSUN CONCRETE (SUZHOU) CO., LTD., LTD., GOLDSUN CONCRETE (WUJIANG) CO., LTD., and GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD. Shall not exceed double of the net asset value from the latest financial statement. RUEI SHIN CONSTRUCTIN CO., LTD and KUOYUNG CONSTRUCTION & ENGINEERING CO., LTD. shall not exceed the 40% net asset value from the latest financial statement.

Note 5: GOLDSUN CONCRETE (WUJIANG) CO., LTD., GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD., and GOLDSUN CONCRETE (SUZHOU) CO., LTD.'s ending balance would be duplicate calculated in collaboration.

Actual ending balance was RMB\$80,000 thousand except RMB\$100,000 thousand of GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD. The ending balance didn't exceed the limit.

Note 6: In March 2023, the Group has disposed of its mainland subsidiary, GOLDSUN CONCRETE (CHANGSHU) CO., LTD.

Note 7: On November 10, 2023, JIN SHUN MARITIME LTD. has undergone dissolution and liquidation, the group has lost control over it, please refer to note 6(27)

ATTACHMENT 2 : Endorsement/Guarantee provided to others for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

No. (Note 1)	Name of endorsers	Endorsee		Endorsement limit for a single entity (Note 3)	Maximum balance for the period (Note 4)	Ending balance (Note 5)	Actual amount provided (Note 6)	Amount of collateral guarantee/endorse- ment	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/endorse- ment amount (Note 3)	Guarantee provided by Parent Company (Note 7)	Guarantee provided by A Subsidiary (Note 7)	Guarantee provided to Subsidiaries in Mainland China (Note 7)
		Name of endorseees	Relationship (Note 2)										
1	REI SHIN CONSTRUCTIN CO., LTD	GOLDSUN BUILDING MATERIALS CO., LTD.	3	\$3,876,015	\$2,700,000	\$2,700,000	\$-	\$2,700,000	139.32%	\$3,876,015		Y	
2	REIXIN ASSET MANAGEMENT INC.	GOLDSUN BUILDING MATERIALS CO., LTD.	3	2,259,467	884,000	884,000	252,000	884,000	78.25%	2,259,467		Y	
3	GOLDSUN CONCRETE (CHANGSHU) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	-	1,780,000	-	-	-	-	-			Y
4	GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	3,733,820	1,780,000	1,515,500	153,022	-	202.94%	3,733,820			Y
5	GOLDSUN CONCRETE (WUJIANG) CO., LTD.	GOLDSUN CONCRETE (SUZHOU) CO., LTD. and other two companies	4	3,441,805	1,780,000	1,515,500	146,614	-	220.16%	3,441,805			Y

Note 1: The parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Industry partners who are engaged in the sales of pre-construction homes and conduct joint guarantee for the performance of contract based on Consumer Protection Act.

Note 3: The procedure of endorsement is showed as the follows:

REI SHIN CONSTRUCTIN CO., LTD and REIXIN ASSET MANAGEMENT INC. endorsement / guarantee amount limit for a single entity and total that shall not exceed double of the net asset value from the latest financial statement.

Other subsidiary, the endorsement / guarantee amount limit for a single entity and total that should not exceed 500% net assets value both from the latest financial statement.

Note 4: In March 2023, the Group has disposed of its mainland subsidiary, GOLDSUN CONCRETE (CHANGSHU) CO., LTD.

(Unit: Foreign currency: thousands, NTD: thousands)

Names of companies held	Type and name of securities	Relationship with the Company	Financial statement account	31-Dec-23				Remark
				Units (thousand) / bonds / shares (thousand)	Carrying amount	Percentage of ownership (%)	Fair value/Net assets value	
GOLDSUN BUILDING MATERIALS CO., LTD.	Stock- TAIWAN CEMENT CORPORATION	Investor under the equity method	Financial assets at fair value through other comprehensive income, current	18,500,000	\$644,725	-	\$644,725	12,300 thousand shares provide for loan guarantee
	KINPO ELECTRONICS, INC.		Financial assets at fair value through other comprehensive income, current	1,000,000	\$16,250	-	16,250	4,200 thousand shares provide for loan guarantee
	TAIWAN SECOM CO., LTD		Financial assets at fair value through other comprehensive income, non-current	6,065,000	709,605	1%	709,605	
	TAIWAN SHIN KONG SECURITY CO.,LTD		Financial assets at fair value through other comprehensive income, non-current	20,000	807	-	807	
	TAIWAN AIRPORT SERVICE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	7,405,200	41,321	17%	41,321	7,405 thousand shares provide for loan guarantee
	OVERSEAS INVESTMENT & DEVELOPMENT CORP.		Financial assets at fair value through other comprehensive income, non-current	2,000,000	36,980	2%	36,980	Please refer to note 6(27)
	ANFENG SPRING ENTERPRISE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	150,000	2,677	5%	2,677	
	EVERTERMINAL CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	714,826	11,301	1%	11,301	
	CHI HSIANG BROWNSTONE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	6,300	7,060	18%	7,060	
	JIN SHUN MARITIME LIMITED		Financial assets at fair value through profit or loss, current	148,200,000	441,226	100%	441,226	
KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Stock- GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Financial assets at fair value through other comprehensive income, non-current	238,323	6,709	-	6,709	Included in treasury shares
	TAIWAN CEMENT CORPORATION		Financial assets at fair value through other comprehensive income, current	1,000,000	34,850	-	34,850	
	TAIWAN SECOM CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	2,000,000	234,000	-	234,000	
REIXIN ASSET MANAGEMENT CO., LTD.	Stock- GOLDSUN BUILDING MATERIALS CO., LTD.	Parent Company	Financial assets at fair value through other comprehensive income, non-current	2,877,785	81,010	-	81,010	Included in treasury shares
TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Capital- FUZHOU SANSHUN STONE MATERIAL CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	193,094	19%	193,094	
	FUJIAN HENGZHONG SAND STONE CO., LTD.		Financial assets at fair value through other comprehensive income, non-current	-	12,003	19%	12,003	

Attachment 4: Disposal of individual real estate with amount exceeding the lower of NT\$300 million and 20 percent of the capital stock for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

Real estate disposed by	Real estate	Transaction date or date of the event (Note 4)	Acquisition date	Carrying value	Transaction amount (Note 5)	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Price reference	Other terms
GOLDSUN BUILDING MATERIALS CO., LTD.	Daxing St., Bade Dist., Taoyuan City No.373 The land ownership :1/1	November 10,2023	December 24,1981	\$9,760	\$379,900	Based on contract terms	\$366,315	Leebao Technology Co., Ltd	Rrelated party	Optimize assets and Enrich the working capital of the Company	Determined at prices agreed on by both parties upon negotiation or through price comparison with reference to appraisal reports issued by professional appraisal institutions	None
	Chongqing St., Bade Dist., Taoyuan City No.202 The building ownership :1/1 and buildings on the ground		August 9,1994	3,825								

Note 1: The disposal of assets shall be appraised, the appraisal results need to be noted in the "Price reference" column.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share,

the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Transaction date or date of the event, refers to the date of signing the transaction, the date of payment, the date of entrustment transaction, the date of transfer, the date of resolution of the board of directors

or the date on which the transaction object and transaction amount are fully funded.

Note 4: The date is contract signing date, the Company transferred the use right to buyer and registered on December 28, 2023.

Note 5: The amount is total amount of the contract deduct land value increment tax, business tax and related necessary expenses.

Attachment 5: Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million and 20 percent of capital stock for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

Company	Related party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit Price	Term	Balance	Percentage of total receivables (payable)	
GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN EXPRESS & LOGISTICS CO., LTD.	Associate Company	(Note)	\$543,599	(Note)	Net 30 days	\$-	-	\$(105,500)	(4.86)%	
GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	Subsidiary	Operating Cost	953,732	6%	Net 30 days	-	-	(93,197)	(4.30)%	
GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL CO., LTD.	Subsidiary	Operating Cost	695,871	4%	Net 30 days	-	-	(46,350)	(2.14)%	
GOLDSUN NIHON CEMENT CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent company	Operating Revenue	(953,732)	93%	Net 30 days	-	-	93,197	100.00 %	
TAIPEI PORT TERMINAL CO., LTD.	GOLDSUN BUILDING MATERIALS CO., LTD.	Parent company	Operating Revenue	(695,871)	94%	Net 30 days	-	-	46,350	82.29 %	

Note : To provide the services of shipping cement to GOLDSUN BUILDING MATERIALS CO., LTD. and the related amount was recorded as other operating income.

Attachment 6: Significant intercompany transactions between consolidated entities for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

No.	Company	Counter-party	Relationship	Account	Amount	Term	As a percentage of total assets or revenues
	<u>Year of 2023</u>						
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Sales revenue	\$67,503	(Note 4)	0.32%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	WELLPOOL CO., LTD.	1	Accounts receivables	23,308	(Note 4)	0.06%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	1	Cost of goods sold	953,732	(Note 4)	4.53%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOLDSUN NIHON CEMENT CO., LTD.	1	Accounts payable	93,197	(Note 4)	0.23%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GOYU BUILDING MATERIALS CO., LTD.	1	Sales revenue	20,926	(Note 4)	0.05%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	REIXIN ASSET MANAGEMENT INC.	1	Sales revenue	12,000	(Note 4)	0.03%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	GIMPO MARINE CO., LTD.	1	Cost of goods sold	86,540	(Note 4)	0.41%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL COMPANY LIMITED	1	Cost of goods sold	695,871	(Note 4)	3.31%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	TAIPEI PORT TERMINAL COMPANY LIMITED	1	Accounts payable	46,350	(Note 4)	0.11%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	JING SHUN MARITIME LTD.	1	Cost of goods sold	19,898	(Note 4)	0.09%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	YUAN SHUN MARITIME LTD.	1	Cost of goods sold	56,529	(Note 4)	0.27%
0	GOLDSUN BUILDING MATERIALS CO., LTD.	HUI SHUN MARITIME LTD.	1	Cost of goods sold	11,003	(Note 4)	0.05%
1	GOYU BUILDING MATERIALS CO., LTD.	GALC INC.	3	Sales revenue	55,883	(Note 4)	0.27%

Note 1: Information about related party transactions should be stated. The numbers of each company are illustrated as follows:

- (1) 0 is for the parent company.
- (2) Each subsidiary is numbered from 1.

Note 2: The relationship between related parties are as follows:

- (1) Parent company and subsidiary.
- (2) Subsidiary and Parent company.
- (3) Subsidiary and subsidiary.

Note 3: Transaction amount is stated as a ratio of total assets or total revenues. Ratios of assets or liabilities accounts are calculated as ending balance divided by total assets, and ratios of profit or loss accounts are calculated as accumulated amount for the year divided by total revenues.

Note 4: The Company's sales to related parties are handled according to the general sales conditions; its collection period is equivalent to ordinary customers.

Note 5: This table includes transactions for amounts over \$10,000 thousand.

ATTACHMENT 7: Names, locations and related information of investee companies (Not including investment in Mainland China) for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

Investor Company	Investee Company	Location	Main business and products	Original / investment amount		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
GOLDSUN BUILDING MATERIALS CO., LTD.	KUNYUNG CONSTRUCTION & ENGINEERING CO., LTD	Taipei, TW	Construction of civil and architectural construction projects	\$835,000	\$835,000	30,000,000	100%	\$432,249	\$12,590	\$12,023	15,000 thousand shares provide for loan guarantee
	REI SHIN CONSTRUCTION CO., LTD	Taipei, TW	Real estate rental, sale and development	(Note 1)	(Note 1)	80,000,000	100%	1,589,188	4,246	4,246	
	WELLPOOL CO., LTD.	Taipei, TW	Sales of calcium silicate board and other boards	303,653	303,653	18,280,389	51%	554,875	153,034	77,592	
	GOLDSUN NIHON CEMENT CO., LTD.	Kaohsiung, TW	Cement import and sale	122,481	119,121	11,700,000	60%	163,899	28,011	16,549	
	TAIPEI PORT TERMINAL COMPANY LIMITED	Taipei, TW	International trade, warehousing and tally packaging	2,477,200	2,477,200	250,000,000	100%	2,498,192	20,748	20,748	
	HWA YA DEVELOPMENT CO., LTD.	Taipei, TW	Hotel operator	284,928	284,928	24,514,108	41%	240,252	(9,334)	(3,814)	
	GOYU BUILDING MATERIALS CO., LTD.	Chiayi, TW	Sales of building materials	280,000	280,000	28,000,000	70%	269,386	17,627	13,087	
	GIMPO MARINE CO., LTD.	New Taipei City, TW	Shipping	100,000	100,000	10,000,000	100%	98,243	3,634	3,634	
	REIXIN ASSET MANAGEMENT INC.	Taipei, TW	Real estate rental, sale and development	(Note 2)	(Note 2)	100,000,000	100%	1,048,730	3,577	(2,232)	
	LAKE VERNICIA DEVELOPMENT COMPANY	Taipei, TW	Crop cultivation, special crop cultivation, and edible mushroom cultivation	1,000	1,000	100,000	100%	219	(155)	(155)	
	GALC INC.	Taipei, TW	Construction and architectural works	21,000	21,000	2,100,000	70%	29,818	11,426	7,998	

ATTACHMENT 7: Names, locations and related information of investee companies (Not including investment in Mainland China) for the year ended December 31, 2023

(Unit: Foreign currency: thousands, NTD: thousands)

Investor Company	Investee Company	Location	Main business and products	Original / investment amount		Investment as of December 31, 2023			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			
GOLDSUN BUILDING MATERIALS CO., LTD.	JIN SHUN MARITIME LTD.	Hong Kong	Shipping	\$583,591 (USD 19,000)	\$583,591 (USD 19,000)	148,200,000	100%	\$-	\$-	\$-	(Note 3)
	YUAN SHUN MARITIME LTD.	Hong Kong	Shipping	466,588 (USD 15,150)	466,588 (USD 15,150)	118,170,000	100%	484,862	18,147	18,147	
	JING SHUN MARITIME LTD.	Hong Kong	Shipping	307,970 (USD 10,000)	307,970 (USD 10,000)	10,000,001	100%	316,058	9,884	9,884	
	FENG SHUN MARITIME LTD.	Hong Kong	Shipping	192,481 (USD 6,250)	192,481 (USD 6,250)	6,250,001	100%	196,375	23,041	23,041	
	HUI SHUN MARITIME LTD.	Hong Kong	Shipping	253,931 (USD 9,000)	253,931 (USD 9,000)	9,000,001	100%	203,389	(42,573)	(42,573)	
	EASE GREAT INVESTMENTS LTD.	Samoa	Investment and holding	1,024,773 (USD 31,440)	1,943,940 (USD 59,640)	31,440,000	100%	2,702,076	188,650	188,650	
	TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED	Hong Kong	Investment	480,289 (USD 15,436)	480,289 (USD 15,436)	116,686,664	100%	205,724	(140)	(140)	
	RAIXIN QUALITY PRODUCTS LTD.	Taipei, TW	Upholstery and sales of furniture	81,386	66,386	4,210,512	42%	19,189	(24,722)	(11,549)	Associates
WELLPOOL CO., LTD.	GAPE-GOLDSUN CORPORATION	Taipei, TW	Sales of calcium silicate board and other boards	1,283	1,283	100,000	100%	1,511	18	-	
EASE GREAT INVESTMENTS LTD.	GREAT SMART LTD.	Cayman	Investment and holding	629,364 (USD 19,390)	629,364 (USD 19,390)	19,390,000	100%	836,026	(7,803)	-	
	GOLDSUN INTERNATIONAL DEVELOPMENT CORP.	Cayman	Investment and holding	390,622 (USD 11,900)	1,316,300 (USD 40,100)	11,900,000	100%	1,863,667	196,470	-	

Note1: The board of directors of RUEI SHIN CONSTRUCCION CO., LTD., passed the capital reduction proposal on September 6, 2019, and the long-term investment equity of EASE GREAT INVESTMENTS LTD and TAIPEI PORT TERMINAL CO., LTD.

Company Limited held by the company was treated as cash, returned to Goldsun Building Materials Co., Ltd. (shareholder)

Note 2: RUEI SHIN CONSTRUCCION CO., LTD., a subsidiary, independently operated business to a newly incorporated company, REIXIN ASSET MANAGEMENT INC., that the Company own 100% share.

The transferred business value is estimated 1,000,000 thousand. The Company transferred part of its obtained 100,000 thousand new shares issued by REIXIN ASSET MANAGEMENT INC. as consideration. The division reference date was January 1, 2020.

Note 3: In November 2023, JIN SHUN MARITIME LTD. was been liquidated, please refer to note 6(27).

(Unit: Foreign currency: thousands, NTD: thousands)

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized	Carrying value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow						
GOLDSUN CONCRETE (SUZHOU) CO., LTD.	Production and sales of ready-mixed concrete and cement products	\$402,217 (USD 11,882)	(Note 1)	\$402,217 (USD 11,882)	\$-	\$-	\$402,217 (USD 11,882)	\$1,813	100%	\$1,813	\$427,618	\$33,567
GOLDSUN (CHANGSHU) CONCRETE CO., LTD.	Production and sales of ready-mixed concrete and cement products	459,388 (USD 14,200)	(Note 1)	459,388 (USD 14,200)	-	459,388 (USD 14,200)	-	(950)	- (Note 5)	(950)	- (Note 5)	670,041
GOLDSUN CONCRETE (WUJIANG) CO., LTD.	Production and sales of ready-mixed concrete and cement products	197,939 (USD 5,960)	(Note 1)	197,939 (USD 5,960)	-	-	197,939 (USD 5,960)	1,652	100%	1,652	688,361	-
GOLDSUN (SUZHOU) BUILDING MATERIALS CO., LTD.	Production and sales of ready-mixed concrete and	198,527 (USD 5,960)	(Note 1)	198,527 (USD 5,960)	-	-	198,527 (USD 5,960)	9,824	100%	9,824	746,764	-
LIANYUAN CONCH CEMENT CO., LTD.	Cement production and distribution	2,383,120 (USD 74,800)	(Note 2)	376,549 (USD 10,800)	-	-	376,549 (USD 10,800)	(9,341)	20%	(1,868)	827,301	145,190
FUZHOU SANSHUN STONE MATERIAL CO., LTD.	Sandstone processing	1,016,143 (USD 33,503)	(Note 3)	453,555 (USD 14,566)	-	-	453,555 (USD 14,566)	-	19%	-	193,095 (Note 4)	-
FUJIAN HENGZHONG SAND STONE CO., LTD.(Note9)	Sandstone processing	134,790 (RMB 30,000)	(Note 3)	24,777 (USD 810)	-	-	24,777 (USD 810)	-	19%	-	12,003 (Note 4)	-

Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment
\$2,297,195 (USD 69,700)	\$1,457,136 (USD 52,642)	\$15,370,742 (Note 8)

Note 1: The Company established EASE GREAT INVESTMENTS LTD. in a third region. The Company reinvested in GOLDSUN INTERNATIONAL DEVELOPMENT CORP. (through EASE GREAT INVESTMENTS LTD.) and then invested in Mainland China.

Note 2: The Company established EASE GREAT INVESTMENTS LTD. in a third region. The Company reinvested in GREAT SMART LTD. (through EASE GREAT INVESTMENTS LTD.) and then invested in Mainland China.

Note 3: The Company established TAIWAN BUILDING MATERIALS (HONG KONG) LIMITED. in a third region and then invested in Mainland China.

Note 4: The company recognized the investment as "Financial assets at fair value through other comprehensive income, non-current".

Note 5: GOLDSUN CONCRETE (CHANGSHU) CO., LTD. was disposed of on March 15, 2023. As of March 31, 2023, the equity transfer has been completed.

EASE GREAT INVESTMENTS LTD. had implemented a capital reduction USD\$28,200 thousand in cash through the return of share proceeds to Taiwan as of December 31, 2023

Note 6: The Company deposited the subsidiary, GOLDSUN COMENT (FUJIAN) CO., LTD. in 2019. Accumulated outflow of investment from Taiwan was NT\$2,369,969 thousand (USD\$72,500 thousand). EASE GREAT INVESTMENTS LTD. implement a capital reduction USD\$55,277 thousand in cash through the return of share proceeds to the Company and remaining outflow of investment USD\$17,223 thousand was not returned to Taiwan as of December 31, 2023.

Note 7: The Company deposited the subsidiary, FU YANG PORT CO., LTD. in 2019. Accumulated outflow of investment from Taiwan was NT\$322.625 thousand (USD\$10,000 thousand). EASE GREAT INVESTMENTS LTD. implement a capital reduction USD\$7,501 thousand in cash through the return of share proceeds to the Company and accumulated outflow of investment from Taiwan was USD\$2,499 thousand as of December 31, 2023.

Note 8: Based on the new regulations issued by the Investment Commission of the Ministry of Economic Affairs (MOEA) in 2008, The ceiling amount of Investment limits on mainland China was 60% of consolidated net worth or net worth (higher).

Attachment 9: Information of Major Shareholder as of December 31, 2023

(Unit: share)

Shares/Name	Number of shares		Percentage of ownership (%)
	Ordinary Stock	Preferred stock	
SHIN LAN ENTERPRISE INC.	81,643,341	-	6.91%
TAIWAN SECOM CO., LTD.	77,705,747	-	6.58%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

Note 3: The preparation of the table is done by calculating the distribution of the balance of each credit transactions based on the shareholder registers (not buying to cover) whose shares are suspended for transfer for the shareholder extraordinary meeting.

Note 4: Shareholding percentage (%) = The total number of shares held by the shareholder / The total number of shares that have been delivered without physical registration.

Note 5: The total number of shares (including treasury shares) that have been delivered without physical registration is 1,180,000,000 shares = 1,180,000,000 shares (ordinary shares) + 0 shares (preferred shares).

VI. If the company and its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation: None.

Seven. Review and Analysis of the Financial Position and Performance and Risk Management:

I. Financial position:

Unit: NT\$1,000

Year Description	2023/12/31	2022/12/31	Difference	
			Amount	%
Current assets	12,555,138	12,657,734	(102,596)	(0.81%)
Property, plant and equipment	13,961,554	12,242,233	1,719,321	14.04%
Intangible assets	3,574,973	3,680,866	(105,893)	(2.88%)
Other assets	10,457,474	10,370,250	87,224	0.84%
Total assets	40,549,139	38,951,083	1,598,056	4.10%
Current liabilities	8,688,597	9,066,546	(377,949)	(4.17%)
Total Liabilities	14,931,235	14,554,027	377,208	2.59%
Capital	11,800,000	11,800,000	-	-
Additional paid-in capital	1,203,816	1,189,725	14,091	1.18%
Retained earnings	11,557,709	10,384,015	1,173,694	11.30%
Other adjustments to shareholders' equity	(67,343)	(108,259)	40,916	37.79%
Total equity attributable to shareholders of the parent company	24,494,182	23,265,481	1,228,701	5.28%
Total non-controlling interest	1,123,722	1,131,575	(7,853)	(0.69%)
Total Equity	25,617,904	24,397,056	1,220,848	5.00%

Analysis of major variance:

1. The increase in PP&E compared with the previous year was mainly due to an increase of NT\$1,811,478 thousand in unfinished projects compared with the previous year.
2. The increase in other adjustment items of shareholders' equity was mainly due to the increase of NT10,311 thousand in the exchange differences on translation of financial statements of foreign operations caused by the appreciation of US dollar, an of NT\$30,247 in unrealized valuation profit or loss on financial assets measured at fair value through other comprehensive income.

II. Financial performance:

Unit: NT\$1,000

Year Item	2023	2022	Different in amount	Change in %
Net revenue	21,041,131	21,278,780	(237,649)	(1.12%)
Operating costs	16,055,231	16,976,660	(921,429)	(5.43%)
Operating gross profit	4,985,900	4,302,120	683,780	15.89%
Operating expenses	949,365	952,645	(3,280)	(0.34%)
Operating income	4,036,535	3,349,475	687,060	20.51%
Non-operating income and expenses	549,616	1,778,524	(1,228,908)	(69.10%)
Income before income tax	4,586,151	5,127,999	(541,848)	(10.57%)
Income tax (expense) benefit	(965,075)	(891,891)	(73,184)	8.21%
Net income	3,621,076	4,236,108	(615,032)	(14.52%)
Other comprehensive income for the year (Net income after taxes)	42,967	(138,642)	181,609	130.99%
Total comprehensive income	3,664,043	4,097,466	(433,423)	(10.58%)
Profits attributable to shareholders of the parent company	3,530,978	4,132,218	(601,240)	(14.55%)
Total comprehensive income attributable to shareholders of the parent company	3,574,257	3,993,085	(418,828)	(10.49%)
Analysis of percentage increase / decrease:				
Non-operating income and expenses decreased compared with the previous year mainly due to the gain of NT\$1,743,481 thousand from disposal of land in Kaohsiung in the previous year.				

III. Cash flow:

(I) Analysis of the changes in cash flow in the most recent year:

Opening Balance A	Net cash flow from operating activities for the year B	Cash outflow (inflow) for the year C	Amount of cash surplus (shortfall) A+B-C	Remedy for insufficient cash	
				Investment plan	Financing plan
2,106,579	3,784,333	3,583,065	2,307,847	-	-

1. Operating activities: Net cash of NT\$3,784,333 thousand generated was mainly due to the impact of operating profits.
2. Investing activities: Net cash of NT\$1,730,271 thousand used was mainly due to the acquisition of real property, plants and equipment.
3. Financing activities: Net cash outflow of NT\$1,867,296 thousand was mainly due to the cash dividends paid.

(II) Improvement plan for liquidity shortfall and liquidity analysis:

1. Improvement plan for liquidity shortfall: Not applicable.

2. Liquidity analysis:

Year Description	2023	2022	Percentage increase / decrease (%)
Cash flow ratio	43.56%	32.86%	32.56%
Cash flow adequacy ratio	79.86%	71.90%	11.07%
Cash flow reinvestment ratio	5.80%	3.79%	53.03%
Analysis of percentage increase / decrease:			
1. Cash flow ratio: Mainly due to the net cash flow from operating activities increased by 27% over last year.			
2. Cash flow adequacy ratio: Mainly due to the net cash flow from operating activities increased by 37% over the past five years..			
3. Cash flow reinvestment ratio: Mainly due to the net cash flow from operating activities increased by 27% over last year.			

(III) Cash flow analysis for the coming year:

Unit: NT\$1,000

Opening Balance A	Estimated cash flow from operating activities B	Estimated cash outflow for the year C	Estimated amount of cash surplus (shortfall) A+B-C	Remedy for insufficient cash	
				Investment plan	Financing plan
2,307,847	3,800,000	5,341,010	766,837	-	-

1. Cash flow analysis for the coming year:
 - (1) Operating activities: Revenue and profits are expected to grow steadily, resulting in net cash inflow for operating activities.
 - (2) Investing activities: Cash outflows are for the implementation of various investment plants in accordance with the Company's policies.
 - (3) Financing activities: Mainly to pay cash dividends.
2. Remedy and flow analysis for the estimated cash shortfalls: None.

IV. Impact of major capital expenditures on financial operations

(I) Uses of major capital expenditures and sources of funds:

Unit: NT\$1,000

Program	Actual or planned source of capital	Actual or planned completion date	Total capital required	Actual or planned use of capital				
				2020	2021	2022	2023	2024
Nangang urban revitalization project	Cash flow generated from operation	2027	Planning	33,212	31,803	1,572,061	1,682,860	3,956,997
Hualien Hotel Development Project of Huaya	Cash flow generated from operation	2027	Planning	-	-	-	-	106,733
Xizhi No. 2 Plant	Cash flow generated from operation	2024	262,617	-	-	-	143,560	119,057

(II) Expected impact from profits generated on the financials:

The first set of mixing machines at Xizhi No.2 plant are expected to be officially operational in mid-2024. The monthly sales volume of ready-mix concrete will be 30,000 cubic meters in the future.

V. Company's re-investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

(I) Reinvestment policy and main reasons for profits or losses:

No investment in this year exceeded 5% of the paid-in capital.

(II) Investment plan for the coming year:

None.

VI. Analysis and assessment of risks in the most recent fiscal year and up to publication date of the annual report

(I) Impact of changes in interest rates and currency exchange and inflation on the Company's profit and loss and the response measures to be taken in the future:

1. The Company faces interest rate risks which correspond to long-term and short-term liabilities arising from business activities. Depending on the market situation, the Company will consider the overall liquidity and safety to make the best combination of capital to respond to changes in the financial market.
2. The exchange rate risk is mainly related to the net investment in a foreign operation. A net investment in a foreign operation is considered a strategic investment. We continue to monitor changes in market exchange rates to respond to the impact of exchange rate fluctuations.
3. According to the Director-General of Budget, Accounting and Statistics, Executive Yuan, the 2023 consumer price index experienced a 2.5% year-over-year increase. The inflation risk is within an acceptable level and has no significant impact on the Company's operations.

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives transactions is the main reason contributing to its profits and losses and the response measures to be taken in the future:

Based on the prudent concept and the business philosophy of practicality, we focus on long-term investments related to the industry and have not engaged in high-risk, high-

leverage investments. Loans to other parties, endorsements, guarantees and derivatives transactions are all carried in accordance with the Company's "Measures for Handling Acquisition or Disposal of Assets," "Procedures for Lending Funds to Others" and "Operating Procedures for Loans to Others and Endorsement and Guarantee." In the future, we will still rigorously abide by the procedures specified by relevant rules at the Company's best interests.

(III) Future R&D projects and the projected R&D expenses:

1. Continuing development and optimization of concrete products

In addition to maintaining the current concrete product line, we continue to actively engage in the study of mass production of special concrete (ultra-high performance concrete (UHPC), new permeable concrete, high-strength lightweight concrete, mass concrete, etc.), optimize the overall production technology and promote the practical application in private construction projects, civil engineering projects and major public construction projects and other structures, expanding the applicability. In addition, the Company introduced smart process technology, integrated with big data on production, transportation, and product properties. This technology is combined with analysis and application technology to optimize the overall production process, stabilize production quality, and increase production efficiency. It also aims to build a low-carbon ready-mixed concrete production process and continue moving towards the Company's target for Net Zero Emissions.

2. Product development of low-carbon concrete

In response to the future trends of carbon reduction and carbon footprint traceability, we will continuously introduce the inventory and tracking of our carbon footprint and greenhouse gas emissions, process and transportation of concrete products, establish carbon footprint and greenhouse gas emission data at each stage, and develop carbon reduction manufacturing technology and feasibility of alternative materials. We will develop a range of concrete products with lower embodied carbon to our customers, providing them with options to mitigate the environmental impact of their construction projects. We will also pay attention to carbon reduction topics and technologies and entered technological collaboration with foundations to develop carbon capture, utilization and storage (CCUS) of diverse concrete building materials to improve the competitiveness in the industry to cope with the carbon pricing policy in the future and move toward the goal of net-zero emissions.

3. Continue to incorporate circular economy and refine raw materials quality inspection capabilities

Due to the rising cost of raw materials for concrete and the impact from energy consumption and circular economy and other sustainability issues, industrial by-products such as blast furnace slag, fly ash and pozzolanic materials have been used to replace part of cement. Technologies of highly active by-product substitution and low-carbon concrete products have also been developed. Besides improving the durability of concrete, they reduce the carbon emissions from the manufacturing of virgin ingredients. Incorporating carbon reduction into the application of circular economy will become the future for concrete technology.

In addition, to meet the needs for raw material inspection and building materials development, the scale of the raw material inspection laboratory was expanded by combining the internal resources within the Group. It applied for certification as a TAF-qualified laboratory, and continuously acquired relevant instruments and manpower to increase the inspection items and to improve the quality and efficiency of raw material inspection, as well as the ability to control the use of raw materials. These initiatives are aimed at helping customers choose better raw materials and obtain better concrete products.

4. Assist in the development of new building materials

Help the building materials-related departments of the Group develop new

products and optimize production process to maintain competitive advantages in the field.

A total of NT\$15 million is expected to be used as the equipment expenditure in 2024 to continue improving the performance of the Company's concrete products and the applications and technologies of diverse by-products of admixture materials. Additionally, aligning with the Company's target for net-zero emissions, the smart manufacturing technology for concrete products with lower embodied carbon will be developed to improve the added value of our concrete products and leadership. In addition, we will assist related building materials departments within the Group to conduct quality inspection for raw materials used and help develop new building materials to enhance competitiveness and meet the diverse needs of clients.

- (IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

We comply with the national policies and regulations, and pay attention to the information on policy and regulatory changes both at home and abroad to help us grasp the biggest opportunity, further ensuring the financial stability and maintaining the development of sustainability.

- (V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

"Goldsun Peace-of-Mind Building Materials Traceability" conducts quality audits of mine sources of sand and gravel with third-party units, including SGS and the Taiwan Construction Research Institute. Incorporating cloud technology, we have established an advanced transparent and open system which holds back the flows of furnace slag. Buildings upon completion have transparent and open identifications. This approach protects the housing safety of domestic citizens, and has accumulated more than 2,679 project site applications, and it is highly recognized by the market and citizens. In addition, we provided an in-depth report with our "Tour of Peace-of-Mind Construction Projects" in 2017. People can get to understand the culture and business philosophy of construction firms through objective interviews and cultural warmth. This practice drove the sales of projects and improved the corporate image, fulfilling the goals of "Buy a house with traceability and live in a home with peace of mind for a lifetime" with Goldsun Building Materials.

- (VI) Effect on the Company's crisis management from changes in the Company's corporate image, and measures to be taken in response:

We are the largest domestic producer of ready-mix concrete. "Quality" and "Service" are the business philosophy we rigorously adhere to, and they are also the Company's consistent brand image to external stakeholders, which we will not change.

In recent years, we have adopted the traceability management in our vertical integration, a 7-stage chloride ion quality control and inspection processes from our own mine sources all the way to the construction sites of our clients, and introduced the certification of "Goldsun Peace-of-Mind Building Materials Traceability" to increase our efficiency and ensure the best product quality. We have achieved 99% in our customer satisfaction to make customers trust us. We hope that our long-term development will enable the concrete industry to become a respected and sustainable industry.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: Not applicable.

- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

In 2024, the Company plans to establish the Xizhi No.2 plant, which is expected to have a projected monthly sales volume of 30,000 cubic meters of ready-mix concrete in the future.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: There is no concern about concentration risks for major suppliers and customers.

(X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: Not applicable.

(XI) Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: Not applicable.

(XII) Litigation or non-litigation incidents:

Major litigation, non-litigation or administrative incidents that involve the Company and/or any director, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10% and/or any other company or companies controlled by the Company and of which the results may have a significant impact on the Company's shareholders' interests or the securities prices: Not applicable.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

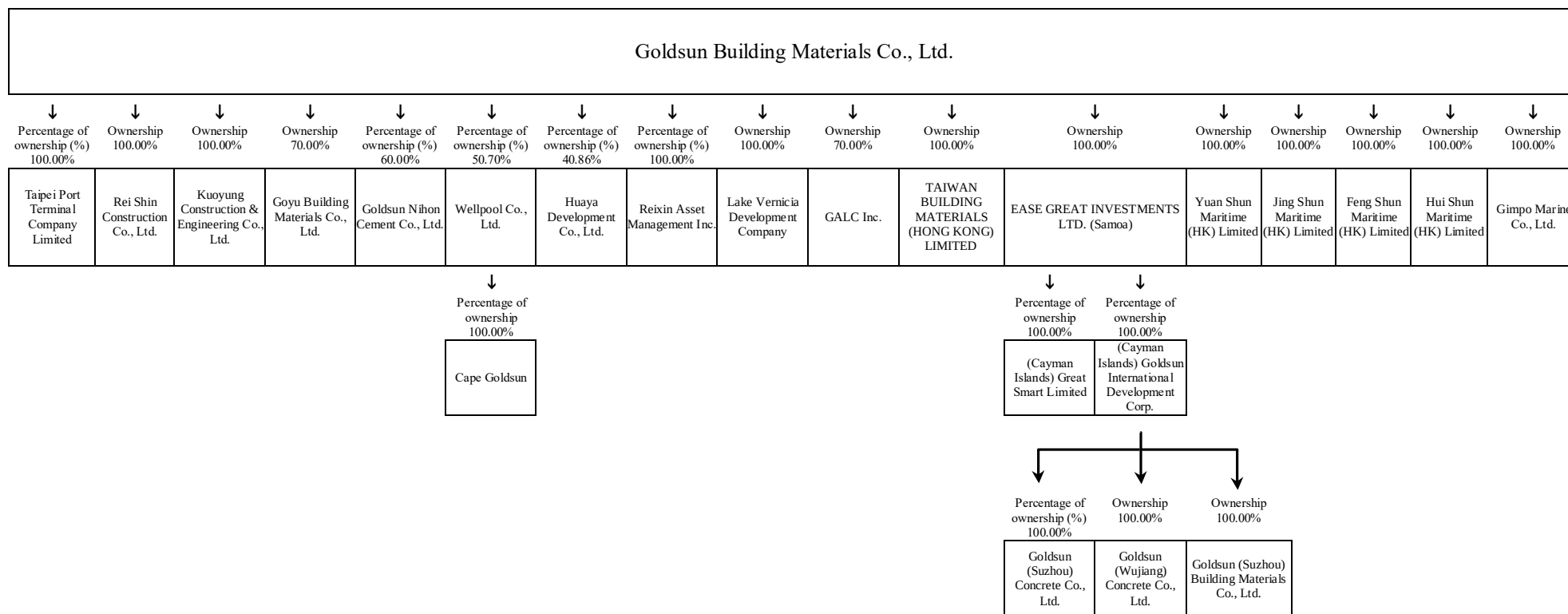
VII. Other important matters: In order to protect the security of the Company's information system, we have established security monitoring and data backup measures. We also regularly conduct system recovery tests to examine the effectiveness of data backup, expecting that the information system can be restored to normal business operations in the shortest time in the event of force majeure disasters or other forms of damages caused by humans.

Eight. Special Matters to be Included

I. Information related to the Company's affiliates.

(I) Consolidated report on subsidiaries

1. Organizational chart of subsidiaries (Base date: December 31, 2023)



2. Basic information of each affiliate: Please see Table 1.
3. Controlling company and affiliate companies presumed to share the same shareholders according to Article 369-3 of the Company Act: Not applicable.
4. If affiliates are related in their business activities, please describe the division of labor:
 - (1) Taipei Port Terminal Company: International trade, warehousing and other businesses.
 - (2) Rei Shin Construction Co., Ltd.: Real estate leasing, trading and development.
 - (3) Kuoyung Construction & Engineering Co., Ltd.: Civil engineering and construction business.
 - (4) Goyu Building Materials Co., Ltd.: Wholesale and retail of building materials and sales of cement.
 - (5) Goldsun Nihon Cement: Sales of imported cement.
 - (6) Wellpool Co., Ltd. and Cape Goldsun: Sales and installation of calcium silicate boards and carpets.
 - (7) Huaya Development Co., Ltd.: Hotels.
 - (8) Hsin-Rui-Shin Asset Development Company: Real estate leasing, trading and development.
 - (9) Lake Vernicia Development Company: Growing of crops, growing of special crops and growing of edible fungi.
 - (10) GALC INC.: Interior decoration.
 - (11) Goldsun Hong Kong Building Materials Co., Ltd.: General investment.
 - (12) (Samoa) Ease Great Investment Limited, (Cayman Islands) Great Smart Limited, (Cayman Islands) Goldsun International Development Corp.: Offshore holding company.
 - (13) Yuan Shun Maritime Limited (HK), Jing Shun Maritime Limited (HK), Feng Shun Maritime Limited (HK), Hui Shun Maritime (HK) Limited, Gimpo Marine Co., Ltd.: Provide maritime transport.
 - (14) Goldsun (Suzhou) Concrete Co., Ltd., Goldsun (Wujiang) Concrete Co., Ltd., Goldsun (Suzhou) Advanced Building Material Co., Ltd.: Manufacturing and sales of ready-mix concrete.
5. Information on the directors, supervisors and general manager of each affiliate: Please see Table 2.
6. Overview of the business operations of each affiliate: Please see Table 3.

Table 1

Basic information of each affiliate

Unit: NT\$1,000, unless otherwise specified

Company Name	Date of Establishment	Address	Paid-in capital	Main business activities or products
Taipei Port Terminal Company Limited	2009.08.24	No. 133, Shanggong Road, Bali District, New Taipei City	2,500,000	International trade, warehousing and other businesses.
Rei Shin Construction Co., Ltd.	1996.09.16	7F, No. 8, Xinhua 1st Road, Neihu District, Taipei City	800,000	Real estate rental
Kuoyung Construction & Engineering Co., Ltd.	1976.07.23	6F, No. 8, Xinhua 1st Road, Neihu District, Taipei City	300,000	Construction of civil and architectural construction projects
Goyu Building Materials Co., Ltd.	2018.03.21	No. 50, Zhongshan Road, Minxiong Township, Chiayi County	400,000	Sales of building materials
Goldsun Nihon Cement Co., Ltd.	1991.11.22	No. 21-1, Dahua 3rd Road, Qianzhen District, Kaohsiung City	195,000	Cement import and sale
Wellpool Co., Ltd.	1981.11.30	5F-1, No. 139, Zhengzhou Road, Datong District, Taipei City	360,544	Trading and construction installation of calcium silicate boards and various carpets
Cape Goldsun Corporation	2005.07.27	5F-1, No. 139, Zhengzhou Road, Datong District, Taipei City	1,000	Sales of calcium silicate board and other boards
Huaya Development Co., Ltd.	1990.10.16	7F, No. 8, Xinhua 1st Road, Neihu District, Taipei City	600,000	Hospital business
Reixin Asset Management Inc.	2020.02.18	7F, No. 8, Xinhua 1st Road, Neihu District, Taipei City	1,000,000	Real estate rental
Lake Vernicia Development Company	2020.10.07	7F, No. 8, Xinhua 1st Road, Neihu District, Taipei City	1,000	Crop cultivation, special crop cultivation, and edible mushroom cultivation
GALC INC.	2021.02.02	6F, No. 8, Xinhua 1st Road, Neihu District, Taipei City	30,000	Interior renovation
Taiwan Building Materials (Hong Kong) Limited	2014.12.01	Unit 1501, 15th Floor, AT Tower, 180 Electric Road, Hong Kong	USD 15,436,611	Investment
(Samoa) Ease Great Investments Limited	2004.11.19	Samoa	USD 31,440,000	Investment holding
(Cayman Islands) Great Smart Limited	2004.11.19	Cayman	USD 19,390,000	Investment holding

Company Name	Date of Establishment	Address	Paid-in capital	Main business activities or products
(Cayman Islands) Goldsun International Development Corp.	2002.09.17	Cayman	USD 11,900,000	Investment holding
Yuan Shun Maritime (HK) Limited	2013.10.23	Unit 1501, 15th Floor, AT Tower, 180 Electric Road, Hong Kong	USD 15,150,000	Maritime transport business
Jing Shun Maritime (HK) Limited	2017.09.22	Unit 1501, 15th Floor, AT Tower, 180 Electric Road, Hong Kong	USD 10,000,001	Maritime transport business
Feng Shun Maritime (HK) Limited	2018.04.11	Unit 1501, 15th Floor, AT Tower, 180 Electric Road, Hong Kong	USD 6,250,001	Maritime transport business
Hui Shun Maritime (HK) Limited	2018.06.26	Unit 16, 5/F, International Plaza, 20 Sheung Yuet Road, Kowloon Bay, Hong Kong	USD 9,000,001	Maritime transport business
Gimpo Marine Co., Ltd.	2018.12.14	No. 133, Shanggang Road, Bali District, New Taipei City	100,000	Maritime transport business
Goldsun (Suzhou) Concrete Co., Ltd.	2002.10.09	Room 1201, Building 3, No. 112, Yingchun South Road, Chengnan Street, Wuzhong Economic Development Zone, Wuzhong City, Jiangsu Province	RMB 96,102,323	Production and sales of Sales of pre-mixed concrete and cement
Goldsun (Wujiang) Concrete Co., Ltd.	2003.08.20	Tunxi Village, Tongli Town, Wujiang City, Jiangsu Province	RMB 48,245,722	Production and sales of Sales of pre-mixed concrete and cement
Goldsun (Suzhou) Building Materials Co., Ltd.	2003.04.07	No. 288, Yinzong South Road, Hedong Industrial Park, Wuzhong Economic Development Zone, Wuzhong City, Jiangsu Province	RMB 48,245,688	Production and sales of Sales of pre-mixed concrete and cement

Table 2

Information on the directors and president of each affiliate

Unit: Share, %

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares	Ownership
Taipei Port Terminal Company Limited	Chairman	Goldsun Building Materials Co., Ltd. Representative: Lei Lin	250,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chih-Jen Wu	250,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Cheng-Feng Liu	250,000,000	100.00%
	Supervisor	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chia-Ying Chen	250,000,000	100.00%
Rei Shin Construction Co., Ltd.	Chairman	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chiao Lin	80,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Lan-Ying Hsu	80,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Jie-Tang Chang	80,000,000	100.00%
	Supervisor	Goldsun Building Materials Co., Ltd. Representative: William Hsu	80,000,000	100.00%
Kuoyung Construction & Engineering Co., Ltd.	Chairman	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chiao Lin	30,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Lan-Ying Hsu	30,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Lei Lin	30,000,000	100.00%
	Supervisor	Goldsun Building Materials Co., Ltd. Representative: William Hsu	30,000,000	100.00%
Goyu Building Materials Co., Ltd.	Chairman	Goldsun Building Materials Co., Ltd. Representative: Lei Lin	28,000,000	70.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chih-Chiang Yang	28,000,000	70.00%
	Director	Chi-Yu Construction Representative: Jien-Ming Cheng	12,000,000	30.00%
	Supervisor	Chia-Ying Chen	-	-
Cape Goldsun Corporation	Chairman	Wellpool Co., Ltd. Representative: Yong Ni	100,000	100.00%
	Director	Wellpool Co., Ltd. Representative: Shih-Chung Chang	100,000	100.00%
	Director	Wellpool Co., Ltd. Representative: Chao-Chia Kuo	100,000	100.00%
	Supervisor	Wellpool Co., Ltd. Representative: Chia-Ming Hsu	100,000	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares	Ownership
Goldsun Nihon Cement Co., Ltd.	Chairman	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chiu-Lan Chen	11,700,000	60.00%
	Vice Chairman	Taiheiyo Cement Corp. Representative: Yutaka Murakami	6,825,000	35.00%
	Director	Taiheiyo Cement Corp. Representative: Yasuhisa Mitsuda	6,825,000	35.00%
	Director	Taiheiyo Cement Corp. Representative: Muneyoshi Kaneda	6,825,000	35.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Vincent Lin	11,700,000	60.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Frank Lin	11,700,000	60.00%
	Director	Goldsun Building Materials Co., Ltd. Representative: Chi-Wen Ma	11,700,000	60.00%
	Supervisor	Yi-Jun Lee	-	-
Wellpool Co., Ltd.	Chairman	Shih-Tsung Chang	828,066	2.30%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Lan-Ying Hsu	18,280,389	50.70%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Vincent Lin	18,280,389	50.70%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chih-Jen Wu	18,280,389	50.70%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Te-Hsien Wang	18,280,389	50.70%
	Director	Pao-Hsi Sheng	1,100	0.00%
	Independent Director	Li-Sheng Chu	-	-
	Independent Director	Chang-Chi Chang	-	-
	Independent Director	Shih-Chung Chen	-	-
Huaya Development Co., Ltd.	Chairman	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chiao Lin	24,514,108	40.86%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Lan-Ying Hsu	24,514,108	40.86%
	Director	Taiwan Secom Co., Ltd. Representative: Frank Lin	25,512,892	42.52%
	Supervisor	Shin-Lan Enterprise Co., Ltd. Representative: James Chiu	9,973,000	16.62%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares	Ownership
Reixin Asset Management Inc.	Chairman	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chiao Lin	100,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chia-Ying Chen	100,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Jie-Tang Chang	100,000,000	100.00%
	Supervisor	GOLDSUN BUILDING MATERIALS CO., LTD. Representative: Lin-Yen Cheng	100,000,000	100.00%
Lake Vernicia Development Company	Chairman	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Lan-Ying Hsu	100,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Vincent Lin	100,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chiao Lin	100,000	100.00%
	Supervisor	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chia-Ying Chen	100,000	100.00%
GALC INC.	Chairman	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chih-Jen Wu	2,100,000	70.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Shang-Yuan Wen	2,100,000	70.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Shing-Yuan Hsu	2,100,000	70.00%
	Supervisor	Chia-Ying Chen	-	-
Taiwan Building Materials (Hong Kong) Limited	Director	Jie-Tang Chang	116,686,664	100.00%
Ease Great Investments Ltd. (Samoa)	Director	Goldsun Building Materials Co., Ltd.	31,440,000	100.00%
(Cayman Islands) Great Smart Limited	Director	Ease Great Investments Ltd.	19,390,000	100.00%
(Cayman Islands) Goldsun International Development Corp.	Director	Ease Great Investments Ltd.	40,100,000	100.00%
Yuan Shun Maritime (HK) Limited	Director	Hao-Hsiang Hsu	118,170,000	100.00%
Jing Shun Maritime (HK) Limited	Director	Hao-Hsiang Hsu	10,000,001	100.00%
Feng Shun Maritime (HK) Limited	Director	Hao-Hsiang Hsu	6,250,001	100.00%
Hui Shun Maritime (HK) Limited	Director	Hao-Hsiang Hsu	9,000,001	100.00%
Gimpo Marine Co., Ltd.	Chairman	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Hao-Hsiang Hsu	10,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Chih-Jen Wu	10,000,000	100.00%
	Director	Goldsun Hong Kong Building Materials Co., Ltd. Representative: Jie-Tang Chang	10,000,000	100.00%
	Supervisor	Goldsun Building Materials Co., Ltd. Representative: Lin-Yen Cheng	10,000,000	100.00%

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares	Ownership
Goldsun (Suzhou) Concrete Co., Ltd.	Chairman	Goldsun International Development Corp. Representative: Chin-Yi Huang	11,882,000	100.00%
	Director	Goldsun International Development Corp. Representative: Lei Lin	11,882,000	100.00%
	Director	Goldsun International Development Corp. Representative: Lan-Ying Hsu	11,882,000	100.00%
	Supervisor	Goldsun International Development Corp. Representative: Frank Lin	11,882,000	100.00%
Goldsun (Wujiang) Concrete Co., Ltd.	Chairman	Goldsun International Development Corp. Representative: Chin-Yi Huang	5,960,000	100.00%
	Director	Goldsun International Development Corp. Representative: Lei Lin	5,960,000	100.00%
	Director	Goldsun International Development Corp. Representative: Lan-Ying Hsu	5,960,000	100.00%
	Supervisor	Goldsun International Development Corp. Representative: Frank Lin	5,960,000	100.00%
Goldsun (Suzhou) Building Materials Co., Ltd.	Chairman	Goldsun International Development Corp. Representative: Chin-Yi Huang	5,960,000	100.00%
	Director	Goldsun International Development Corp. Representative: Lei Lin	5,960,000	100.00%
	Director	Goldsun International Development Corp. Representative: Lan-Ying Hsu	5,960,000	100.00%
	Supervisor	Goldsun International Development Corp. Representative: Frank Lin	5,960,000	100.00%

Table 3

Overview of the business operations of each affiliate

December 31, 2023; Unit: NT\$1,000, unless otherwise specified

Company Name	Paid-in capital	Total assets	Total Liabilities	Net value	Operating revenue	Operating profit	Profit and loss for the period
Taipei Port Terminal Company Limited	2,500,000	4,403,755	1,906,289	2,497,466	740,502	63,226	20,748
Rei Shin Construction Co., Ltd.	800,000	2,286,636	348,629	1,938,007	23,198	-2,724	4,246
Kuoyung Construction & Engineering Co., Ltd.	300,000	446,070	7,112	438,958	-	-6,030	12,590
Goyu Building Materials Co., Ltd.	400,000	509,393	128,086	381,307	208,067	6,497	17,627
Goldsun Nihon Cement Co., Ltd.	195,000	516,539	243,373	273,166	1,027,154	34,346	28,011
Wellpool Co., Ltd.	360,544	1,276,083	181,705	1,094,378	951,605	180,868	153,034
Cape Goldsun Corporation	1,000	1,511	-	1,511	-	-	18
Huaya Development Co., Ltd.	600,000	598,388	10,355	588,033	-	-9,623	-9,334
Reixin Asset Management Inc.	1,000,000	1,300,070	170,336	1,129,734	47,362	-2,162	3,577
Lake Vernicia Development Company	1,000	219	-	219	-	-157	-155
GALC INC.	30,000	79,969	37,372	42,597	158,968	14,808	11,426
Taiwan Building Materials (Hong Kong) Limited	USD 15,436,611	USD 6,701,482	USD 2,564	USD 6,698,918	USD -	USD -3,937	USD -4,487
Ease Great Investments Ltd. (Samoa)	USD 31,440,000	USD 87,986,847	USD -	USD 87,986,847	USD -	USD -1,270	USD 6,065,933
(Cayman Islands) Great Smart Limited	USD 19,390,000	USD 27,223,429	USD 165	USD 27,223,264	USD -	USD -11,198	USD -250,915
(Cayman Islands) Goldsun International Development Corp.	USD 11,900,000	USD 60,686,147	USD 165	USD 60,685,982	USD -	USD -9,080	USD 6,317,349
Yuan Shun Maritime (HK) Limited	USD 15,150,000	USD 16,963,987	USD 1,175,587	USD 15,788,400	USD 4,320,429	USD 420,065	USD 583,513
Jing Shun Maritime (HK) Limited	USD 10,000,001	USD 11,493,646	USD 1,201,951	USD 10,291,695	USD 4,554,510	USD 229,492	USD 317,818
Feng Shun Maritime (HK) Limited	USD 6,250,001	USD 8,433,113	USD 2,038,628	USD 6,394,485	USD 5,030,249	USD 735,008	USD 740,861
Hui Shun Maritime (HK) Limited	USD 9,000,001	USD 12,132,683	USD 5,509,798	USD 6,622,885	USD 2,950,365	USD -1,279,061	USD -1,368,900
Gimpo Marine Co., Ltd.	100,000	203,891	105,649	98,242	97,240	6,281	3,634
Goldsun (Suzhou) Concrete Co., Ltd.	RMB 96,102,323	RMB 100,928,071	RMB 2,064,871	RMB 98,863,200	RMB -	RMB -944,799	RMB 413,293
Goldsun (Wujiang) Concrete Co., Ltd.	RMB 48,245,722	RMB 228,001,473	RMB 68,855,806	RMB 159,145,667	RMB 138,301,850	RMB 1,512,484	RMB 376,646
Goldsun (Suzhou) Building Materials Co., Ltd.	RMB 48,245,688	RMB 323,770,832	RMB 151,122,613	RMB 172,648,219	RMB 176,169,061	RMB 846,463	RMB 2,239,604

(II) Affiliated Enterprise Consolidated Financial Statements Declaration

The entities included in the consolidated financial statements as of 2023 (from January 1, 2023 to December 31, 2023), prepared under the International Financial Reporting Standards, No.10, are the same as the entities to be included in the combined financial statements of the Company, if any are to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any set of combined financial statements other than the Consolidated Financial Statements.

Very truly yours,

Company Name: Goldsun Building Materials Co., Ltd.

Chairman: Lan-Ying Hsu

February 29, 2024

(III) Affiliation report: Not applicable. None.

II. Status of private placement of securities during the most recent fiscal year or up to the date of publication of the annual report: Not applicable.

III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or up to the date of publication of the annual report:

Unit: In NT\$1,000

Name of subsidiaries	Total amount of paid-in capital	Sources of Capital	Company's Ownership	Transaction Date	Number of shares acquired and amount	Shares Disposed of and Amount	Investment Profit and Loss	Shares Owned and Amount as of Publication Date of Annual Report	Set Pledge	Amount of Company's Endorsement/Guarantee for Subsidiaries	Amount of Company's Loans to Subsidiaries
Kuoyung Construction & Engineering Co., Ltd.	300,000 thousand	Cash capital increase	100%	-	-	-	-	238,323 shares NT\$ 7,865 thousand	-	-	-
Reixin Asset Management Inc.	NT\$1,000,000 thousand	Split from Rui-Shin	100%	-	-	-	-	2,877,785 shares NT\$ 94,967 thousand	-	-	-

IV. Other matters that require additional description: Not applicable.

Nine. If any of the situations listed in Article 36, paragraph 3, sub-paragraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, have occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: We have changes to more than one-third of the directors and the president, and they have not had a material impact on the shareholders' equity or securities prices.

Goldsun Building Materials Co., Ltd.

Chairman **Lan-Ying Hsu**