

**HSING TA CEMENT CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
DECEMBER 31, 2023 AND 2022**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Hsing Ta Cement Co., Ltd.

### ***Opinion***

We have audited the accompanying consolidated balance sheets of Hsing Ta Cement Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other independent auditors, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and 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 Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

#### **Occurrence of revenue recognition of cement sales**

##### Description

Please refer to Note 4(28) of the financial statements for accounting policies on revenue recognition and Note 6(16) for details of operating revenue.

The Group's operating revenue mainly consists of cement sales revenue, revenue from recycling and treatment and rental revenue. The revenue from cement sales amounted to NTD 6,043,782 thousand, constituting 96.55% of the 2023 operating revenue. The price of cement often fluctuates due to the prices of raw materials, market supply and demand as well as the general economic situation. Sales prices and order quantities are based on the contracts signed with individual customers. Cement sales revenue is recognised when customers collect the cement, which is based on the dispatch reports prepared by the cement factory according to actual collection situation. The Group's counterparties are numerous, and the types of products, the related prices and the qualities are various. Also, the information process, recording and maintenance of the relevant reports mainly relies on manual operation. Therefore, more audit staff were required to perform the procedures.

Additionally, since the cement sales revenue is material to the financial statements, we consider the occurrence of revenue recognition of cement sales as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the reasonableness of revenue recognition policies and procedures for cement sales based on our understanding of the Group's business and the industry it operates in, and confirmed that these were consistently applied in the financial statements.
2. Obtained an understanding of the order, collection and delivery processes, and assessed as well as tested the relevant internal control procedures including sample testing the prices and quantities on the cement order reports and agreed them with the records on the cement sales register cards and the collection reports as well as checking whether the quantities on the collection report were consistent with the records on the delivery sheets and the daily dispatch reports.
3. Verified the monthly dispatch reports used by the management for revenue recognition, including sample testing the quantities on the reports whether they were consistent with the records on the daily dispatch reports, and recalculating the amount of the revenue and agreeing them with the recorded revenue.

***Other matter – Parent company only financial statements***

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

### ***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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### ***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 Group's internal control.
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 Group's ability to continue as a going concern. 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 consolidated financial statements of the current period 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.

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Lee, Hsiu-Ling

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Hsu, Ming-Chuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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.

**HSING TA CEMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 2,930,678	25	\$ 2,767,084	24
1110	Financial assets at fair value through profit or loss - current	6(2)	1,380,895	12	1,007,780	9
1136	Current financial assets at amortised cost	6(3) and 8	224,758	2	624,429	5
1150	Notes receivable, net	6(4)	620,701	5	722,330	6
1170	Accounts receivable, net	6(4)	521,500	5	327,906	3
1200	Other receivables		6,626	-	10,151	-
130X	Inventories	6(5)	928,382	8	1,011,311	9
1410	Prepayments		73,036	1	89,152	1
1470	Other current assets	9(1)	350	-	334	-
11XX	<b>Current assets</b>		<u>6,686,926</u>	<u>58</u>	<u>6,560,477</u>	<u>57</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	232,611	2	182,351	2
1535	Financial assets at amortised cost - non-current	6(3) and 8	227,709	2	240,324	2
1600	Property, plant and equipment	6(6)	2,671,967	23	2,755,243	24
1755	Right-of-use assets	6(7)	159,212	2	172,627	2
1760	Investment property - net	6(9)	1,425,931	12	1,430,487	12
1780	Intangible assets		17,537	-	8,904	-
1840	Deferred income tax assets	6(23)	40,810	-	40,815	-
1920	Guarantee deposits paid		33,451	-	32,956	-
1990	Other non-current assets, others		67,016	1	65,842	1
15XX	<b>Non-current assets</b>		<u>4,876,244</u>	<u>42</u>	<u>4,929,549</u>	<u>43</u>
1XXX	<b>Total assets</b>		<u>\$ 11,563,170</u>	<u>100</u>	<u>\$ 11,490,026</u>	<u>100</u>

(Continued)

**HSING TA CEMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2130	Current contract liabilities	6(16)	\$ 99,616	1	\$ 106,255	1
2150	Notes payable		164,927	1	282,961	2
2160	Notes payable - related parties	7	2,035	-	915	-
2170	Accounts payable		675,743	6	765,076	7
2200	Other payables	6(10) and 7	336,215	3	363,222	3
2230	Current income tax liabilities		99,273	1	101,357	1
2280	Current lease liabilities	6(26)	11,311	-	8,172	-
2399	Other current liabilities, others		2,180	-	1,135	-
21XX	<b>Current Liabilities</b>		<u>1,391,300</u>	<u>12</u>	<u>1,629,093</u>	<u>14</u>
<b>Non-current liabilities</b>						
2570	Deferred income tax liabilities	6(23)	70,521	1	88,458	1
2580	Non-current lease liabilities	6(26)	36,522	1	43,301	1
2640	Accrued pension liabilities	6(11)	37,541	-	32,872	-
2670	Other non-current liabilities, others		36,685	-	32,750	-
25XX	<b>Non-current liabilities</b>		<u>181,269</u>	<u>2</u>	<u>197,381</u>	<u>2</u>
2XXX	<b>Total liabilities</b>		<u>1,572,569</u>	<u>14</u>	<u>1,826,474</u>	<u>16</u>
<b>Equity attributable to owners of parent</b>						
Share capital						
3110	Share capital - common stock	6(12)	3,411,589	30	3,411,589	30
Capital surplus						
3200	Capital surplus	6(13)	15,697	-	15,644	-
Retained earnings						
3310	Legal reserve	6(14)	1,655,263	14	1,615,360	14
3320	Special reserve		136,484	1	200,753	2
3350	Unappropriated retained earnings		3,091,799	27	2,659,051	23
Other equity interest						
3400	Other equity interest	6(15)	( 193,155)	( 2)	( 136,484)	( 1)
31XX	<b>Equity attributable to owners of the parent</b>		<u>8,117,677</u>	<u>70</u>	<u>7,765,913</u>	<u>68</u>
36XX	Non-controlling interest		<u>1,872,924</u>	<u>16</u>	<u>1,897,639</u>	<u>16</u>
3XXX	<b>Total equity</b>		<u>9,990,601</u>	<u>86</u>	<u>9,663,552</u>	<u>84</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 11,563,170</u>	<u>100</u>	<u>\$ 11,490,026</u>	<u>100</u>

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

**HSING TA CEMENT CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(8)(9)(16)	\$ 6,259,864	100	\$ 6,388,338	100
5000	Operating costs	6(21)(22) and 7	( 4,918,790)	( 78)	( 5,138,589)	( 81)
5900	Gross profit		<u>1,341,074</u>	<u>22</u>	<u>1,249,749</u>	<u>19</u>
	Operating expenses	6(21)(22) and 7				
6100	Selling expenses		( 143,827)	( 2)	( 121,029)	( 2)
6200	General and administrative expenses		( 208,502)	( 4)	( 217,455)	( 3)
6450	Expected credit losses	12(2)	547	-	( 126)	-
6000	Total operating expenses		<u>( 351,782)</u>	<u>( 6)</u>	<u>( 338,610)</u>	<u>( 5)</u>
6900	Operating profit		<u>989,292</u>	<u>16</u>	<u>911,139</u>	<u>14</u>
	Non-operating income and expenses					
7100	Interest income	6(17)	51,100	1	41,584	1
7010	Other income	6(18)	22,378	-	29,418	-
7020	Other gains and losses	6(19)	50,137	1	11,483	-
7050	Finance costs	6(20)	( 1,289)	-	( 870)	-
7000	Total non-operating income and expenses		<u>122,326</u>	<u>2</u>	<u>81,615</u>	<u>1</u>
7900	<b>Profit before income tax</b>		<u>1,111,618</u>	<u>18</u>	<u>992,754</u>	<u>15</u>
7950	Income tax expense	6(23)	( 304,031)	( 5)	( 475,016)	( 7)
8200	<b>Profit for the year</b>		<u>\$ 807,587</u>	<u>13</u>	<u>\$ 517,738</u>	<u>8</u>
	<b>Other comprehensive income</b>					
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(11)	(\$ 5,941)	-	\$ 503	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	<u>1,188</u>	<u>-</u>	<u>( 101)</u>	<u>-</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Financial statements translation differences of foreign operations		( 85,194)	( 2)	96,675	2
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>( 85,194)</u>	<u>( 2)</u>	<u>96,675</u>	<u>2</u>
8300	<b>Other comprehensive (loss) income for the year</b>		<u>( \$ 89,947)</u>	<u>( 2)</u>	<u>\$ 97,077</u>	<u>2</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 717,640</u>	<u>11</u>	<u>\$ 614,815</u>	<u>10</u>
	Profit, attributable to:					
8610	Owners of the parent		\$ 685,884	11	\$ 399,166	6
8620	Non-controlling interest		<u>121,703</u>	<u>2</u>	<u>118,572</u>	<u>2</u>
			<u>\$ 807,587</u>	<u>13</u>	<u>\$ 517,738</u>	<u>8</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 624,638	10	\$ 463,300	8
8720	Non-controlling interest		<u>93,002</u>	<u>1</u>	<u>151,515</u>	<u>2</u>
			<u>\$ 717,640</u>	<u>11</u>	<u>\$ 614,815</u>	<u>10</u>
	Basic earnings per share	6(24)				
9750	Total basic earnings per share		<u>\$ 2.01</u>	<u>2.01</u>	<u>\$ 1.17</u>	<u>1.17</u>
9850	Total diluted earnings per share		<u>\$ 2.00</u>	<u>2.00</u>	<u>\$ 1.16</u>	<u>1.16</u>

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

HSING TA CEMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent											
		Capital surplus			Retained earnings				Exchange differences on translation of foreign financial statements	Treasury shares	Total	Non-controlling interest	Total equity
		Ordinary share	Treasury share transactions	Others	Legal reserve	Special reserve	Unappropriated retained earnings						
<u>2022</u>													
Balance at January 1		\$ 3,419,579	\$ 22,299	\$ 663	\$ 1,528,279	\$ 175,551	\$ 2,885,240	(\$ 200,753)	\$ -	\$ 7,830,858	\$ 2,022,314	\$ 9,853,172	
Profit for the year		-	-	-	-	-	399,166	-	-	399,166	118,572	517,738	
Other comprehensive income (loss) for the year	6(15)	-	-	-	-	-	(135)	64,269	-	64,134	32,943	97,077	
Total comprehensive income		-	-	-	-	-	399,031	64,269	-	463,300	151,515	614,815	
Appropriations and distribution of 2021 retained earnings:	6(14)												
Legal reserve appropriated		-	-	-	87,081	-	(87,081)	-	-	-	-	-	
Special reserve		-	-	-	-	25,202	(25,202)	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(512,937)	-	-	(512,937)	-	(512,937)	
Purchase of treasury share	6(12)	-	-	-	-	-	-	-	(15,755)	(15,755)	-	(15,755)	
Retirement of treasury share	6(12)	(7,990)	(7,765)	-	-	-	-	-	15,755	-	-	-	
Expired unclaimed dividends transferred to capital surplus		-	-	447	-	-	-	-	-	447	-	447	
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	(276,190)	(276,190)	
Balance at December 31		\$ 3,411,589	\$ 14,534	\$ 1,110	\$ 1,615,360	\$ 200,753	\$ 2,659,051	(\$ 136,484)	\$ -	\$ 7,765,913	\$ 1,897,639	\$ 9,663,552	
<u>2023</u>													
Balance at January 1		\$ 3,411,589	\$ 14,534	\$ 1,110	\$ 1,615,360	\$ 200,753	\$ 2,659,051	(\$ 136,484)	\$ -	\$ 7,765,913	\$ 1,897,639	\$ 9,663,552	
Profit for the year		-	-	-	-	-	685,884	-	-	685,884	121,703	807,587	
Other comprehensive income (loss) for the year	6(15)	-	-	-	-	-	(4,575)	(56,671)	-	(61,246)	(28,701)	(89,947)	
Total comprehensive income		-	-	-	-	-	681,309	(56,671)	-	624,638	93,002	717,640	
Appropriations and distribution of 2022 retained earnings:	6(14)												
Legal reserve appropriated		-	-	-	39,903	-	(39,903)	-	-	-	-	-	
Special reserve reversed		-	-	-	-	(64,269)	64,269	-	-	-	-	-	
Cash dividends		-	-	-	-	-	(272,927)	-	-	(272,927)	-	(272,927)	
Expired unclaimed dividends transferred to capital surplus		-	-	53	-	-	-	-	-	53	-	53	
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	(117,717)	(117,717)	
Balance at December 31		\$ 3,411,589	\$ 14,534	\$ 1,163	\$ 1,655,263	\$ 136,484	\$ 3,091,799	(\$ 193,155)	\$ -	\$ 8,117,677	\$ 1,872,924	\$ 9,990,601	

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

HSING TA CEMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,111,618	\$ 992,754
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(9)(21)	303,996	308,107
Amortisation expense	6(21)	4,402	3,863
Expected credit losses	12(2)	( 547 )	126
Net gain on financial assets at fair value through profit or loss	6(2)(19)	( 70,896 )	( 136 )
Interest expense	6(20)	1,289	870
Interest income	6(17)	( 51,100 )	( 41,584 )
Dividend revenue	6(18)	( 11,138 )	( 9,985 )
Gain on lease modification	6(7)(19)	( 8 )	( 549 )
Gain (loss) on disposals of property, plant and equipment	6(19)	7,683	1,135
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		101,629	879,030
Accounts receivable, net		( 193,047 )	14,709
Other receivables		938	269
Inventories		82,929	( 103,994 )
Prepayments		16,116	( 26,676 )
Other current assets		( 9,598 )	( 5 )
Changes in operating liabilities			
Current contract liabilities		( 6,639 )	( 29,640 )
Notes payable		( 118,034 )	190,809
Notes payable - related parties		1,120	( 372 )
Accounts payable		( 89,333 )	( 45,874 )
Other payables		( 49,348 )	( 96,057 )
Other current liabilities, others		1,045	( 370 )
Net defined benefit liability		5,166	( 3,228 )
Cash inflow generated from operations		1,038,243	2,033,202
Interest paid		( 1,289 )	( 870 )
Income taxes paid		( 322,221 )	( 538,474 )
Net cash flows from operating activities		<u>714,733</u>	<u>1,493,858</u>

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HSING TA CEMENT CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through profit or loss	12(3)	(\$ 1,794,332 )	(\$ 1,675,704 )
Proceeds from disposal of financial assets at fair value through profit or loss	12(3)	1,428,874	1,743,398
Acquisition of financial assets at amortised cost		( 384,475 )	( 782,924 )
Proceeds from disposal of financial assets at amortised cost		792,372	285,887
Acquisition of property, plant and equipment (include prepayments for equipment)	6(25)	( 223,252 )	( 252,728 )
Acquisition of investment property	6(9)	( 3,490 )	( 520 )
Proceed from disposal of property, plant and equipment		1,079	4,789
Decrease in refundable deposits		( 495 )	1,205
Decrease in other non-current assets, others		( 320 )	11,783
Interest received		53,687	36,512
Dividends received		11,138	9,985
Net cash flows used in investing activities		( 119,214 )	( 618,317 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Repayments of short-term debt		( 9,170 )	-
Increase in short-term debt		9,170	-
Decrease (increase) in guarantee deposits received	6(26)	4,272	( 6,353 )
Payments of lease liabilities	6(26)	( 3,785 )	( 5,132 )
Cash dividend paid	6(14)	( 272,927 )	( 512,937 )
Dividends paid to non-controlling interests	4(3)	( 117,717 )	( 276,190 )
Expired unclaimed dividends transferred to capital surplus		53	447
Purchase of treasury shares	6(12)	-	( 15,755 )
Net cash flows used in financing activities		( 390,104 )	( 815,920 )
Effect of exchange rate changes on cash and cash equivalents		( 41,821 )	63,620
Net increase in cash and cash equivalents		163,594	123,241
Cash and cash equivalents at beginning of year		2,767,084	2,643,843
Cash and cash equivalents at end of year		<u>\$ 2,930,678</u>	<u>\$ 2,767,084</u>

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

HSING TA CEMENT CO., LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Hsing Ta Cement Co., Ltd. (the “Company”) was incorporated as company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and the Company’s shares have been approved by Securities Commission, Ministry of Finance to be listed on October 7, 1991. The Company and its subsidiaries (collectively referred herein as the “Group”) are primarily engaged in quarrying, processing, warehousing and distribution of minerals, manufacturing, processing, warehousing and distribution of limestone chemicals, cement products and limestone related industry, treatment of general waste, sales and leasing of real estate, consultancy of building management, etc.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 13, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments that came into effect as endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets at fair value through profit or loss.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income 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.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)	
			December 31, 2023	December 31, 2022
The Company	Soaring Power Corp. (SPC)	Overseas investment	66.67	66.67
SPC	Jiangsu Xinning New Building Materials Co., Ltd. (XN)	Manufacturing of new building materials, new special cement clinker, silicate cement clinker, general cement and special cement, mineral powder, stone, commercial concrete and cement products; recycling and wholesale of recycled materials; treatment and recycling of sewage; sales of self-produced products and provide related supporting services	100.00	100.00
The Company	Synergy Development Co., Ltd ( Synergy )	Agency service of real estates, etc.	98.00	98.00
The Company	Hsin I Ready Mixed Concrete Co., Ltd. (HSIN I)	Manufacturing and sales of concrete	55.20	55.20
XN	Nanjing Xinrong New Green Materials Co., Ltd. (Nanjing Xinrong)	Research and development of new environmental protection materials, technology promotion services; development and service of energy conservation and environmental protection technology; manufacturing of special equipment for environmental protection; promotion services of environmental protection technologies and energy conservation technologies; manufacturing and wholesale of non-metallic ore and products; wholesale of chemical products (excluding hazardous chemicals); fine processing of non-metallic ore	52.72	52.72
XN	Jiangsu Xinning New Building Materials Trading CO.,Ltd (Xinning Trading)	Sales of cement products, building materials, light building materials, building decoration materials, asbestos products and ecological environment material as well as research and development of new material technology	100.00	100.00

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2023 and 2022, the non-controlling interest amounted to \$1,872,924 and \$1,897,639, respectively. The information on non-controlling interest and respective subsidiary is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2023		December 31, 2022	
		Amount	Ownership (%)	Amount	Ownership (%)
HSIN I	Taiwan	\$ 277,835	44.80%	\$ 237,865	44.80%
SPC	Virgin Islands	1,582,801	33.33%	1,646,356	33.33%

Summarised financial information of the subsidiaries:

Balance sheets

	HSIN I	
	December 31, 2023	December 31, 2022
Current assets	\$ 472,041	\$ 324,303
Non-current assets	334,523	324,614
Current liabilities	( 184,137)	( 114,716)
Non-current liabilities	( 2,259)	( 3,253)
Total net assets	\$ 620,168	\$ 530,948

	SPC-Consolidated	
	December 31, 2023	December 31, 2022
Current assets	\$ 3,892,328	\$ 4,339,120
Non-current assets	1,800,522	1,923,700
Current liabilities	( 864,338)	( 1,232,915)
Non-current liabilities	( 68,666)	( 78,230)
Total net assets	<u>\$ 4,759,846</u>	<u>\$ 4,951,675</u>
<u>Statements of comprehensive income</u>		

	HSIN I	
	Year ended December 31	
	2023	2022
Revenue	\$ 887,394	\$ 533,225
Profit before income tax	115,361	42,456
Income tax expense	( 25,743)	( 9,500)
Profit for the year from continuing operations	89,618	32,956
Profit for the year	89,618	32,956
Other comprehensive (loss) income, net of tax	( 398)	1,198
Total comprehensive income for the year	<u>\$ 89,220</u>	<u>\$ 34,154</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 39,971</u>	<u>\$ 15,301</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ -</u>

	SPC-Consolidated	
	Year ended December 31	
	2023	2022
Revenue	\$ 3,249,351	\$ 4,174,752
Profit before income tax	373,606	614,068
Income tax expense	( 126,153)	( 292,552)
Profit for the year from continuing operations	247,453	321,516
Profit for the year	247,453	321,516
Other comprehensive (loss) income , net of tax	( 84,985)	96,440
Total comprehensive income for the year	<u>\$ 162,468</u>	<u>\$ 417,956</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 54,163</u>	<u>\$ 139,332</u>
Dividends paid to non-controlling interest	<u>\$ 117,717</u>	<u>\$ 276,190</u>

## Statements of cash flows

	HSIN I	
	Year ended December 31	
	2023	2022
Net cash provided by operating activities	\$ 134	\$ 65,090
Net cash used in investing activities	( 35,930)	( 45,401)
Net cash used in financing activities	( 1,128)	( 1,105)
Decrease (Increase) in cash and cash equivalents	( 36,924)	18,584
Cash and cash equivalents, beginning of year	96,112	77,528
Cash and cash equivalents, end of year	\$ 59,188	\$ 96,112
	SPC-Consolidated	
	Year ended December 31	
	2023	2022
Net cash provided by operating activities	\$ 572,041	\$ 1,293,333
Net cash used in investing activities	( 38,450)	( 580,553)
Net cash used in financing activities	( 790,273)	( 791,862)
Effect of exchange rates on cash and cash equivalents	( 32,079)	34,674
Decrease in cash and cash equivalents	( 288,761)	( 44,408)
Cash and cash equivalents, beginning of year	1,529,713	1,574,121
Cash and cash equivalents, end of year	\$ 1,240,952	\$ 1,529,713

### (4) Foreign currency translation

All Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

#### A. Foreign currency transactions and balances

- Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the associates and group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(6) Cash equivalents

Cash equivalents refer to 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. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity), but excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion.

(14) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. 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 must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	8 ~ 60 years
Machinery and equipment	2 ~ 15 years
Transportation equipment	4 ~ 15 years
Office equipment	3 ~ 15 years
Other equipment	2 ~ 20 years

(16) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
- Fixed payments, less any lease incentives receivable;
  - Variable lease payments that depend on an index or a rate;
  - Amounts expected to be payable by the lessee under residual value guarantees;

- (d) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
  - (a) The amount of the initial measurement of lease liability;
  - (b) Any lease payments made at or before the commencement date; and
  - (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 3 ~ 55 years.

(18) Intangible assets

- A. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 to 10 years.
- B. Patent is amortised using the straight-line method over its estimated economic service life of 20 years.

(19) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(23) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognised as expenses in the period in which the employees render service.

B. Pensions

(a) Defined contribution plans

For the defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

- ii. Remeasurements arising on the defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
  - iii. Past service costs are recognised immediately in profit or loss.
- C. Employees' compensation and directors' and supervisors' remuneration
- Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(26) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(28) Revenue recognition

A. Sales of cement

The Group manufactures and sells limestone chemicals, cement and limestone related products. Sales are recognised when control of the products has transferred to customers, the consideration is taking into account of business tax, returns, rebates and discounts. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Recycle process revenue

The Group provides waste treatment services. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue were determined by multiplying the amount of waste which had been actually processed as of the balance sheet date by unit price of contract. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payment exceeds the services rendered , a contract liability is recognized.

C. Rental revenue

The Group follows the guidance of IFRS 16 'Leases' to recognise revenue from the leasing of property. Leases are operating lease according to the extent of transition of risks and rewards of ownership. Revenue is recognised through the period of leases.

(29) Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate. Government grants related to cost of land use right are presented by deducting the grants from the asset's carrying amount and are amortised to profit or loss over the estimated useful lives of the related land use right as reduced depreciation expense.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and petty cash	\$ 1,636	\$ 1,232
Checking accounts	196,100	133,498
Demand deposits	1,996,421	1,880,727
Time deposits	<u>1,188,988</u>	<u>1,616,380</u>
	3,383,145	3,631,837
Less: Time deposits pledged	( 261,657)	( 318,873)
Time deposits that are not held for the purpose of meeting short-term cash commitments in operations	<u>( 190,810)</u>	<u>( 545,880)</u>
	<u>\$ 2,930,678</u>	<u>\$ 2,767,084</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. Details of the Group's certain time deposits pledged, shown as 'current financial assets at amortised cost' related to issued notes payable, are provided in Note 8.
- C. The Group recognised certain time deposits as 'current financial assets at amortised cost' as they are not held for the purpose of meeting short-term cash commitments in operations.
- D. Details of the Group's certain time deposits pledged, shown as 'non-current financial assets at amortised cost' related to guarantee for mining land and deposits for construction, are provided in Note 8.

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

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Domestic listed stocks	\$ 38,916	\$ 38,916
Foreign listed stocks	2,549	2,549
RMB financial products	1,346,396	969,760
	1,387,861	1,011,225
Valuation adjustment	( 6,966)	( 3,445)
	\$ 1,380,895	\$ 1,007,780
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Domestic unlisted shares	\$ 63,688	\$ 63,688
Valuation adjustment	168,923	118,663
	\$ 232,611	\$ 182,351

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	\$ 46,739	(\$ 22,007)
RMB financial products	24,157	22,143
	\$ 70,896	\$ 136

B. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits maturing over three months	\$ 190,810	\$ 545,880
Time deposits pledged	33,948	78,549
	\$ 224,758	\$ 624,429
Non-current items :		
Time deposits pledged	\$ 227,709	\$ 240,324

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2023	2022
Interest income	\$ 15,383	\$ 2,922

- B. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$452,467 and \$864,753, respectively.
- C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 620,701	\$ 722,330
Less: Allowance for uncollectible accounts	-	-
	<u>\$ 620,701</u>	<u>\$ 722,330</u>
Accounts receivable	\$ 522,053	\$ 329,203
Less: Allowance for uncollectible accounts	( 553)	( 1,297)
	<u>\$ 521,500</u>	<u>\$ 327,906</u>

- A. The ageing analysis of notes and accounts receivable that were past due but not impaired is as follows:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 620,701	\$ 520,762	\$ 722,330	\$ 313,496
Up to 30 days	-	549	-	746
31 to 90 days	-	105	-	13,356
91 to 180 days	-	202	-	173
Over 180 days	-	435	-	1,432
	<u>\$ 620,701</u>	<u>\$ 522,053</u>	<u>\$ 722,330</u>	<u>\$ 329,203</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2023 and 2022, notes and accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$1,601,360 and \$342,742, respectively.
- C. As of December 31, 2023 and 2022, the Group's Mainland China subsidiary had notes receivable that were endorsed and transferred to suppliers as payment, which had not reached maturity and were not derecognised, amounting to \$370,177 and \$419,106 (RMB \$85,551 thousand and RMB 95,079 thousand), respectively. The Group's Mainland China subsidiary has the obligation to pay as the endorser if the issuer or acceptor of a note refused to pay at maturity.
- D. Notes receivable of the Group's Mainland China subsidiary are bank acceptances which are accepted and guaranteed by the banks. As of December 31, 2023 and 2022, bank acceptances amounted to \$474,646 and \$602,327, respectively.

E. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was \$620,701 and \$722,330; \$521,500 and \$327,906, respectively.

F. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 444,877	\$ -	\$ 444,877
Supplies	306,572	( 552)	306,020
Work in progress	72,749	-	72,749
Finished goods	104,736	-	104,736
	<u>\$ 928,934</u>	<u>(\$ 552)</u>	<u>\$ 928,382</u>
	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 470,082	\$ -	\$ 470,082
Supplies	303,976	( 578)	303,398
Work in progress	137,145	-	137,145
Finished goods	100,686	-	100,686
	<u>\$ 1,011,889</u>	<u>(\$ 578)</u>	<u>\$ 1,011,311</u>

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	\$ 4,865,246	\$ 5,060,994
Underapplied overheads	22,662	48,645
Gain on reversal of decline in market value	( 26)	( 407)
	<u>\$ 4,887,882</u>	<u>\$ 5,109,232</u>

(6) Property, plant and equipment

	2023							Total
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction	
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied		
At January 1								
Cost	\$ 555,941	\$ 2,120,524	\$ 5,499,058	\$ 201,396	\$ 142,484	\$ 95,156	\$ 164,980	\$ 8,779,539
Accumulated depreciation and impairment	-	( 1,107,397)	( 4,596,056)	( 163,802)	( 68,553)	( 88,488)	-	( 6,024,296)
	<u>\$ 555,941</u>	<u>\$ 1,013,127</u>	<u>\$ 903,002</u>	<u>\$ 37,594</u>	<u>\$ 73,931</u>	<u>\$ 6,668</u>	<u>\$ 164,980</u>	<u>\$ 2,755,243</u>
Opening net book amount as at January 1	\$ 555,941	\$ 1,013,127	\$ 903,002	\$ 37,594	\$ 73,931	\$ 6,668	\$ 164,980	\$ 2,755,243
Additions	-	13,054	125,615	27,844	24,877	28,089	21,165	240,644
Disposals	( 24)	( 687)	( 5,894)	( 2,129)	( 28)	-	-	( 8,762)
Reclassifications	-	48,863	98,865	330	9,833	4,015	( 161,906)	-
Depreciation charge	-	( 57,511)	( 191,696)	( 12,407)	( 20,574)	( 2,437)	-	( 284,625)
Net exchange differences	-	( 16,534)	( 11,732)	( 318)	( 1,483)	-	( 466)	( 30,533)
Closing net book amount as at December 31	<u>\$ 555,917</u>	<u>\$ 1,000,312</u>	<u>\$ 918,160</u>	<u>\$ 50,914</u>	<u>\$ 86,556</u>	<u>\$ 36,335</u>	<u>\$ 23,773</u>	<u>\$ 2,671,967</u>
At December 31								
Cost	\$ 555,917	\$ 2,156,806	\$ 5,681,269	\$ 214,929	\$ 169,281	\$ 127,259	\$ 23,773	\$ 8,929,234
Accumulated depreciation and impairment	-	( 1,156,494)	( 4,763,109)	( 164,015)	( 82,725)	( 90,924)	-	( 6,257,267)
	<u>\$ 555,917</u>	<u>\$ 1,000,312</u>	<u>\$ 918,160</u>	<u>\$ 50,914</u>	<u>\$ 86,556</u>	<u>\$ 36,335</u>	<u>\$ 23,773</u>	<u>\$ 2,671,967</u>

	2022							
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction	Total
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied		
At January 1								
Cost	\$ 554,791	\$ 2,079,549	\$ 5,406,897	\$ 209,878	\$ 105,811	\$ 95,156	\$ 25,558	\$ 8,477,640
Accumulated depreciation and impairment	-	( 1,041,077)	( 4,392,047)	( 161,865)	( 51,992)	( 86,222)	-	( 5,733,203)
	<u>\$ 554,791</u>	<u>\$ 1,038,472</u>	<u>\$ 1,014,850</u>	<u>\$ 48,013</u>	<u>\$ 53,819</u>	<u>\$ 8,934</u>	<u>\$ 25,558</u>	<u>\$ 2,744,437</u>
Opening net book amount as at January 1	\$ 554,791	\$ 1,038,472	\$ 1,014,850	\$ 48,013	\$ 53,819	\$ 8,934	\$ 25,558	\$ 2,744,437
Additions	1,150	31,772	66,088	3,030	37,670	-	139,586	279,296
Disposals	-	( 705)	( 4,799)	( 35)	( 385)	-	-	( 5,924)
Reclassifications	-	( 9,072)	9,072	( 46)	46	-	-	-
Depreciation charge	-	( 61,060)	( 193,840)	( 13,683)	( 17,941)	( 2,266)	-	( 288,790)
Net exchange differences	-	13,720	11,631	315	722	-	( 164)	26,224
Closing net book amount as at December 31	<u>\$ 555,941</u>	<u>\$ 1,013,127</u>	<u>\$ 903,002</u>	<u>\$ 37,594</u>	<u>\$ 73,931</u>	<u>\$ 6,668</u>	<u>\$ 164,980</u>	<u>\$ 2,755,243</u>
At December 31								
Cost	\$ 555,941	\$ 2,120,524	\$ 5,499,058	\$ 201,396	\$ 142,484	\$ 95,156	\$ 164,980	\$ 8,779,539
Accumulated depreciation and impairment	-	( 1,107,397)	( 4,596,056)	( 163,802)	( 68,553)	( 88,488)	-	( 6,024,296)
	<u>\$ 555,941</u>	<u>\$ 1,013,127</u>	<u>\$ 903,002</u>	<u>\$ 37,594</u>	<u>\$ 73,931</u>	<u>\$ 6,668</u>	<u>\$ 164,980</u>	<u>\$ 2,755,243</u>

- A. The significant components of buildings and structures include office, factory road maintenance construction, inventory warehouse as well as firefighting and air conditioning equipment, which are depreciated over 30 to 60, 30, 30 to 45 and 8 years, respectively.
- B. As the land with book value of \$65,142 in Wulaokeng Sec., Su'ao Township is a farmland, therefore, the title to the land is temporarily registered to a natural person. However, the Company has set the pledge of land ownership to itself in order to protect its rights.

(7) Leasing arrangements - lessee

A. The Group leases various assets including land and office. Rental contracts are typically made for periods of 3 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The leased assets may not be used as security for borrowing purposes nor the rights to be transferred to others through business transfer or combination.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land - land use right	\$ 121,984	\$ 128,795
Land - mining land	34,215	38,541
Other equipment	<u>3,013</u>	<u>5,291</u>
	<u>\$ 159,212</u>	<u>\$ 172,627</u>

  

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land - land use right	\$ 4,571	\$ 4,594
Land - mining land	4,047	4,116
Other equipment	<u>2,707</u>	<u>2,707</u>
	<u>\$ 11,325</u>	<u>\$ 11,417</u>

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$428 and \$33,051, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,095	\$ 870
Expense on short-term lease contracts	1,906	1,850
Expense on leases of low-value assets	127	110
Gain on lease modification	8	549

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were \$6,913 and \$7,962, respectively.

F. Extension and termination options

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(8) Leasing arrangements - lessor

- A. The Group leases various assets including buildings. Rental contracts are typically made for periods of 1 and 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, nor be subleased, lent, sold or granted fully or partially in any different form to the third parties.
- B. For the years ended December 31, 2023 and 2022, the Group recognised rent income in the amounts of \$49,526 and \$41,633, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2023</u>			<u>December 31, 2022</u>	
2024	\$	49,225	2023	\$	49,039
2025		48,459	2024		46,588
2026		47,929	2025		46,117
2027		40,028	2026		45,674
After 2028		184,209	After 2027		207,670
	\$	<u>369,850</u>		\$	<u>395,088</u>

(9) Investment property

	<u>2023</u>		
	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
At January 1			
Cost	\$ 1,199,934	\$ 377,174	\$ 1,577,108
Accumulated depreciation	-	( 146,621)	( 146,621)
	<u>\$ 1,199,934</u>	<u>\$ 230,553</u>	<u>\$ 1,430,487</u>
Opening net book amount as at January 1	\$ 1,199,934	\$ 230,553	\$ 1,430,487
Additions	-	3,490	3,490
Depreciation charge	-	( 8,046)	( 8,046)
Closing net book amount as at December 31	<u>\$ 1,199,934</u>	<u>\$ 225,997</u>	<u>\$ 1,425,931</u>
At December 31			
Cost	\$ 1,199,934	\$ 380,664	\$ 1,580,598
Accumulated depreciation	-	( 154,667)	( 154,667)
	<u>\$ 1,199,934</u>	<u>\$ 225,997</u>	<u>\$ 1,425,931</u>

	2022		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 1,199,934	\$ 381,962	\$ 1,581,896
Accumulated depreciation	-	( 144,029)	( 144,029)
	<u>\$ 1,199,934</u>	<u>\$ 237,933</u>	<u>\$ 1,437,867</u>
Opening net book amount as at January 1	\$ 1,199,934	\$ 237,933	\$ 1,437,867
Additions	-	520	520
Depreciation charge	-	( 7,900)	( 7,900)
Closing net book amount as at December 31	<u>\$ 1,199,934</u>	<u>\$ 230,553</u>	<u>\$ 1,430,487</u>
At December 31			
Cost	\$ 1,199,934	\$ 377,174	\$ 1,577,108
Accumulated depreciation	-	( 146,621)	( 146,621)
	<u>\$ 1,199,934</u>	<u>\$ 230,553</u>	<u>\$ 1,430,487</u>

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2023	2022
Rental income from investment property	<u>\$ 49,526</u>	<u>\$ 41,633</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 19,760</u>	<u>\$ 19,503</u>

B. The fair value of the investment property held by the Group was \$6,260,362 and \$6,263,430 as of December 31, 2023 and 2022, respectively, which was based on the result that fair value is Level 1 or Level 2 of the management in reference to the appraisal report valued by independent valuers or internal valuation. The details of the valuation methods are as follows:

- (a) Land development analysis: Estimate the total selling price after development or construction on land based on the purpose of land's legal usage, land usage intensity and changes in land use efficiency from land development and improvements, less related costs and profit during the construction period to calculate the land price before development or construction on land.
- (b) Comparison method: Select appropriate comparable cases by using logical reasoning methods or rule of thumb in an objective manner, and implement condition adjustments and date adjustments as necessary, as well as compare local factors with individual factors to obtain a calculation of price on properties.

- (c) Direct capitalisation method of income approach: The Group adjusts the factors that affect the price of the subject property through the differences due to the local factors and individual factors between the comparable properties and the subject property to obtain the reasonable rents of the subject property; and calculates the effective gross income with deduction of the related expenses, then use an appropriate capitalisation rate to obtain the income value of the subject property.
- (d) The Group estimates the value of the subject property by comprehensive consideration of transaction prices from sales through agents of the neighbouring comparable properties which possess the same nature and have similar characteristics and the transaction prices of real estate from the Ministry of Interior.
- C. On June 19, 2000, the Company was approved to develop the land with book value of \$673,413 in Guanxi by the Tai 89 Nei-Ying-Zi Letter No. 8983677 issued by Construction and Planning Agency Ministry of the Interior through the submitted application of ‘Integrated Development and Construction Plan of Hsing Ta Guanxi Community’. However, the titles to certain land, categorised as cultivated land, were temporarily registered to natural persons and shall be subsequently registered to the Company after the land is categorised as non-cultivated land in accordance with laws as the Company signed trust deeds with each individual natural person. The Company has set the pledge of land ownership to itself in order to protect its rights.
- D. On May 25, 2020, the Company entered into a joint construction agreement with CHAINQUI CONSTRUCTION DEVELOPMENT CO., LTD. (CHAINQUI). Under the agreement, the Company provides the above-land structures and land located in No. 602-1 and 603, 2nd Subsec., Chengzhong Sec., Zhongzheng Dist., Taipei City, and CHAINQUI provides construction fund for the building construction.

(10) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Wages and salaries payable	\$ 182,277	\$ 200,402
Other accrued expense	102,125	129,679
Business tax payable	23,910	24,542
Payables on equipment and construction	24,996	2,655
Other payables, others	2,907	5,944
	<u>\$ 336,215</u>	<u>\$ 363,222</u>

(11) Pensions

A. (a) The Company and HSIN I have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.

The Company and its domestic subsidiaries contribute monthly an amount equal to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 172,921)	(\$ 175,875)
Fair value of plan assets	<u>135,380</u>	<u>143,003</u>
Net defined benefit liability	<u>(\$ 37,541)</u>	<u>(\$ 32,872)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>2023</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	(\$ 175,875)	\$ 143,003	(\$ 32,872)
Current service cost	( 1,283)	-	( 1,283)
Interest (expense) income	( 2,287)	1,859	( 428)
	<u>( 179,445)</u>	<u>144,862</u>	<u>( 34,583)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	678	678
Change in demographic assumptions	-	-	-
Change in financial assumptions	( 1,491)	-	( 1,491)
Experience adjustments	( 5,128)	-	( 5,128)
	<u>( 6,619)</u>	<u>678</u>	<u>( 5,941)</u>
Pension fund contribution	-	2,983	2,983
Paid pension	13,143	( 13,143)	-
At December 31	<u>(\$ 172,921)</u>	<u>\$ 135,380</u>	<u>(\$ 37,541)</u>

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 198,092)	\$ 163,490	(\$ 34,602)
Current service cost	( 1,541)	-	( 1,541)
Interest (expense) income	( 1,387)	1,144	( 243)
	<u>( 201,020)</u>	<u>164,634</u>	<u>( 36,386)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	12,875	12,875
Change in demographic assumptions	-	-	-
Change in financial assumptions	9,923	-	9,923
Experience adjustments	( 22,295)	-	( 22,295)
	<u>( 12,372)</u>	<u>12,875</u>	<u>503</u>
Pension fund contribution	-	3,011	3,011
Paid pension	37,517	( 37,517)	-
At December 31	<u>(\$ 175,875)</u>	<u>\$ 143,003</u>	<u>(\$ 32,872)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and HSIN I's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and HSIN I have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2023	2022
Discount rate	1.2%	1.3%
Future salary increases	1.0%	1.0%

Assumptions regarding future mortality experience are set based on future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Sensitivity analysis of the effect on present value of defined benefit obligation due from the changes of main actuarial assumptions was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 3,694)	\$ 3,811	\$ 3,373	(\$ 3,291)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 3,912)	\$ 4,041	\$ 3,598	(\$ 3,507)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method utilised in sensitivity analysis is the same as the method utilised in calculating net pension liability on the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with the previous period.

- (f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to \$2,822.
- (g) As of December 31, 2023, the weighted average duration of that retirement plan is 10 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 9,872
1-2 year(s)	9,310
2-5 years	36,335
Over 5 years	60,268
	<u>\$ 115,785</u>

- B. (a) Effective July 1, 2005, the Company and HSIN I have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and HSIN I contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The Company's mainland China subsidiary, XN, has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2023 and 2022, was 16% and 16%, respectively. Other than the monthly contributions, the Group has no further obligations.
- (c) SPC, Synergy and Xinning Trading have no relevant employee retirement plan since they do not have any employee.
- (d) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2023 and 2022 were \$22,767 and \$22,105, respectively.

(12) Share capital

A. As of December 31, 2023, the Company's authorised capital was \$5,400,000, consisting of 540,000 thousand shares, and the paid-in capital was \$3,411,589 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

B. Treasury shares

- (a) To enhance the Company's credit rating and the stockholders' equity, on May 20, 2022, the Board of Directors resolved to repurchase the Company's shares from Stock Exchange Market amounting to 6,839 thousand shares at a price between \$15 to \$23 (in dollars) per share during the period from May 23, 2022 to July 22, 2022. The accumulated actual repurchased treasury shares during the period amounted to 799 thousand shares with the amount of \$15,755, which is equivalent to 0.23% ownership of the total issued shares.
- (b) On August 11, 2022, the Board of Directors of the Company resolved to retire the above repurchased treasury shares and the effective date of capital reduction was set on August 31, 2022. On September 14, 2022, the capital reduction had been approved by the competent authority and the registration of retirement of shares had been completed.

(13) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(14) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When setting aside special reserve or retained when necessary, the Board of Directors shall present the distribution of the remaining earnings, if any, along with prior accumulated undistributed earnings for the approval of the stockholders at the stockholders' meetings.
- B. The Company's dividend policy is summarised below:  
The current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. If legal reserve has accumulated to an amount equal to the paid-in capital, then legal reserve is no longer required to be set aside, and the special reserve could be set aside or reversed in accordance with relevant laws and regulations where necessary. The Board of Directors should propose the distribution including distribution ratios of the remaining earnings along with accumulated unappropriated retained earnings from prior periods for the approval of the shareholders. The dividends shall be distributed, in the form of cash, based on the distributable earnings for current year after reserving required funds in line with the long-term financial planning and investment or major capital budget planning, no less than one third of accumulated distributable earnings of the Company.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.  
(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- E. The appropriations of earnings of years 2022 and 2021 as resolved by the stockholders at their meetings on June 20, 2023 and June 22, 2022 are as follows:

	Year ended December 31			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 39,903		\$ 87,081	
(Reversal of) special reserve	( 64,269)		25,202	
Cash dividends	272,927	\$ 0.80	512,937	\$ 1.50

	Year ended December 31, 2023			
			Dividends per share (in dollars)	
	Amount		Amount	
Legal reserve	\$ 68,131			
Special reserve	56,671			
Cash dividends	409,391	\$ 1.20		

The aforementioned appropriation of retained earnings for 2023 has not been resolved by the shareholders. Information about employees' compensation (bonus) and directors' and supervisors' remuneration of the Company as resolved by the shareholders' will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. For the information relating to employees' compensation and directors' and supervisors' remuneration, please refer to Note 6(22).

(15) Other equity items

	2023	
	Currency translation	Total
At January 1	(\$ 136,484)	(\$ 136,484)
Currency translation differences:		
- Group	( 56,671)	( 56,671)
At December 31	(\$ 193,155)	(\$ 193,155)

  

	2022	
	Currency translation	Total
At January 1	(\$ 200,753)	(\$ 200,753)
Currency translation differences:		
- Group	64,269	64,269
At December 31	(\$ 136,484)	(\$ 136,484)

(16) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers	\$ 6,210,338	\$ 6,346,705
Others - rental revenue	49,526	41,633
	<u>\$ 6,259,864</u>	<u>\$ 6,388,338</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services in the following major product lines and geographical regions:

Year ended	Taiwan		China			Total
	Cement	Revenue from recycling and treatment	Cement	Revenue from recycling and treatment	Others	
<u>December 31, 2023</u>						
Revenue from external customer contracts	<u>\$ 2,882,763</u>	<u>\$ 78,224</u>	<u>\$ 3,161,019</u>	<u>\$ 88,059</u>	<u>\$ 273</u>	<u>\$ 6,210,338</u>

Year ended	Taiwan		China			Total
	Cement	Revenue from recycling and treatment	Cement	Revenue from recycling and treatment	Others	
<u>December 31, 2022</u>						
Revenue from external customer contracts	<u>\$ 2,104,544</u>	<u>\$ 67,409</u>	<u>\$ 4,073,506</u>	<u>\$ 100,352</u>	<u>\$ 894</u>	<u>\$ 6,346,705</u>

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities – revenue from cement sales in advance	<u>\$ 99,616</u>	<u>\$ 106,255</u>	<u>\$ 135,895</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Cement sales contracts	<u>\$ 87,485</u>	<u>\$ 121,759</u>

(17) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	\$ 35,703	\$ 38,655
Interest income from financial assets measured at amortised cost	15,383	2,922
Other interest income	14	7
	<u>\$ 51,100</u>	<u>\$ 41,584</u>

(18) Other income

	Year ended December 31	
	2023	2022
Dividend income	\$ 11,138	\$ 9,985
Other income	11,240	19,433
	<u>\$ 22,378</u>	<u>\$ 29,418</u>

(19) Other gains and losses

	Year ended December 31	
	2023	2022
Net gains on financial assets at fair value through profit or loss	\$ 70,896	\$ 136
Net foreign exchange (loss) gain	( 12,489)	12,381
Loss on disposals of property, plant and equipment	( 7,683)	( 1,135)
Gain arising from lease modifications	8	549
Miscellaneous disbursements	( 595)	( 448)
	<u>\$ 50,137</u>	<u>\$ 11,483</u>

(20) Finance costs

	Year ended December 31	
	2023	2022
Interest expense		
Bank loan	\$ 194	\$ -
Lease liabilities	1,095	870
	<u>\$ 1,289</u>	<u>\$ 870</u>

(21) Expenses by nature

	Year ended December 31	
	2023	2022
Employee benefit expense	\$ 553,616	\$ 547,168
Depreciation charges on property, plant and equipment as well as investment property	292,671	296,690
Depreciation charges on right-of-use assets	11,325	11,417
Amortisation charges	4,402	3,863
Operating cost and operating expenses	<u>\$ 862,014</u>	<u>\$ 859,138</u>

(22) Employee benefit expense

	Year ended December 31	
	2023	2022
Wages and salaries	\$ 400,972	\$ 387,713
Labour and health insurance fees	34,473	34,081
Pension costs	24,478	23,889
Directors' remuneration	54,411	64,397
Other personnel expenses	39,282	37,088
	<u>\$ 553,616</u>	<u>\$ 547,168</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 1% to 3% for employees' compensation and shall not be higher than 5% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$17,830 and \$12,172, respectively; while directors' and supervisors' remuneration was accrued at \$35,660 and \$24,346, respectively.

Employees' compensation and directors' and supervisors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 309,161	\$ 390,095
Tax on undistributed surplus earnings	7,052	13,135
Prior year income tax under (over) estimation	4,562	( 7,995)
Total current tax	<u>320,775</u>	<u>395,235</u>
Deferred tax:		
Origination and reversal of temporary differences	( 16,744)	79,781
Total deferred tax	<u>( 16,744)</u>	<u>79,781</u>
Income tax expense	<u>\$ 304,031</u>	<u>\$ 475,016</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	\$ 1,188	(\$ 101)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 351,761	\$ 483,805
Tax adjustment by tax regulation	( 59,206)	( 13,848)
Tax losses not recognised as deferred tax assets	( 138)	( 81)
Prior year income tax underestimation	4,562	( 7,995)
Tax on undistributed earnings	7,052	13,135
Income tax expense	\$ 304,031	\$ 475,016

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Net sales revenue and expense	\$ 17,858	\$ 670	\$ -	\$ 18,528
Unrealised exchange loss	2,801	( 776)	-	2,025
Unrealised gross profit from sales	51	43	-	94
Loss on doubtful debts	531	( 148)	-	383
Loss on inventory decline in market value	114	( 4)	-	110
Impairment loss on investments	2,736	-	-	2,736
Net pension cost	12,903	1	-	12,904
Impairment loss on machinery and equipment	3,775	-	-	3,775
Unrealised expenses	46	33	-	79
Employee benefits/ welfare	-	176	-	176
	<u>40,815</u>	<u>( 5)</u>	<u>-</u>	<u>40,810</u>
Deferred tax liabilities:				
Remeasurement of defined benefit obligations	( 6,329)	( 255)	1,188	( 5,396)
Foreign Subsidiaries's investment income	( 82,129)	17,004	-	( 65,125)
	<u>( 88,458)</u>	<u>16,749</u>	<u>1,188</u>	<u>( 70,521)</u>
	<u>(\$ 47,643)</u>	<u>\$ 16,744</u>	<u>\$ 1,188</u>	<u>(\$ 29,711)</u>

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
	<b>Deferred tax assets:</b>			
Net sales revenue and expense	\$ 16,117	\$ 1,741	\$ -	\$ 17,858
Unrealised exchange loss	1,962	839	-	2,801
Unrealised gross profit from sales	27	24	-	51
Loss on doubtful debts	506	25	-	531
Loss on inventory decline in market value	196	( 82)	-	114
Impairment loss on investments	2,736	-	-	2,736
Net pension cost	13,233	( 330)	-	12,903
Impairment loss on machinery and equipment	3,775	-	-	3,775
Unrealised expenses	-	46	-	46
	<u>38,552</u>	<u>2,263</u>	<u>-</u>	<u>40,815</u>
<b>Deferred tax liabilities:</b>				
Remeasurement of defined benefit obligations	( 6,313)	85	( 101)	( 6,329)
Foreign Subsidiaries's investment income	-	( 82,129)	-	( 82,129)
	<u>( 6,313)</u>	<u>( 82,044)</u>	<u>( 101)</u>	<u>( 88,458)</u>
	<u>\$ 32,239</u>	<u>(\$ 79,781)</u>	<u>(\$ 101)</u>	<u>\$ 47,643</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	\$ 21,765	\$ 14,509	\$ 14,509	2028

  

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	\$ 21,765	\$ 15,201	\$ 15,201	2028

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(24) Earnings per share

	Year ended December 31, 2023		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 685,884	341,159	\$ 2.01
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 685,884	341,159	
Assumed conversion of all dilutive potential ordinary shares - Employees' compensation	-	1,113	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 685,884	342,272	\$ 2.00
Year ended December 31, 2022			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 399,166	341,691	\$ 1.17
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 399,166	341,691	
Assumed conversion of all dilutive potential ordinary shares - Employees' compensation	-	1,029	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 399,166	342,720	\$ 1.16

(25) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	<u>2023</u>	<u>2022</u>
Purchase of property, plant and equipment	\$ 240,644	\$ 279,296
Add: Opening balance of payable on equipment	2,655	4,005
Less: Ending balance of payable on equipment	( 24,996)	( 2,655)
Add: Ending balance of prepayments for business facilities	17,751	12,802
Less: Opening balance of prepayments for business facilities	( 12,802)	( 40,720)
Cash paid during the year	\$ 223,252	\$ 252,728

(26) Changes in liabilities from financing activities

	2023		
	Guarantee deposits received	Lease liability	Liabilities from financing activities-gross
At January 1	\$ 32,750	\$ 51,473	\$ 84,223
Changes in cash flow from financing activities	4,272	( 3,785)	487
Changes in other non-cash items	-	428	428
Impact of changes in foreign exchange rate	( 337)	( 283)	( 620)
At December 31	<u>\$ 36,685</u>	<u>\$ 47,833</u>	<u>\$ 84,518</u>

  

	2022		
	Guarantee deposits received	Lease liability	Liabilities from financing activities-gross
At January 1	\$ 38,764	\$ 24,750	\$ 63,514
Changes in cash flow from financing activities	( 6,353)	( 5,132)	( 11,485)
Changes in other non-cash items	-	31,632	31,632
Impact of changes in foreign exchange rate	339	223	562
At December 31	<u>\$ 32,750</u>	<u>\$ 51,473</u>	<u>\$ 84,223</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Chyn Da Freight Co., Ltd.	An entity controlled by key management personnel
Defu Trading Co., Ltd.	An entity controlled by key management personnel
Yang Tang Hai Charity Foundation	An entity controlled by key management personnel
Taiwan Ooparts Co., Ltd.	Other related party
Turbo Capital Co., Ltd.	Other related party
House Eco Lohas Co., Ltd.	Other related party
Yang Jee Shing	Key management personnel of the Group

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2023	2022
Sales of services:		
Entities controlled by key management personnel (rental services)	<u>\$ 24</u>	<u>\$ 24</u>

Services are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases, operating cost and operating expenses

	Year ended December 31	
	2023	2022
Purchases of services:		
Entities controlled by key management personnel (delivery service)	\$ 18,443	\$ 11,059
Entities controlled by key management personnel (rental services)	1,704	1,680
	<u>\$ 20,147</u>	<u>\$ 12,739</u>

Services are purchased from entities controlled by key management personnel on normal commercial terms and conditions.

C. Payables to related parties

	December 31, 2023	December 31, 2022
Notes payable:		
Entities controlled by key management personnel	\$ 2,035	\$ 915
Other payables:		
Entities controlled by key management personnel	2,326	1,031
	<u>\$ 4,361</u>	<u>\$ 1,946</u>

The payables to related parties arise mainly from purchase of services. The payables bear no interest.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	\$ 68,752	\$ 73,402
Post-employment benefits	255	404
	<u>\$ 69,007</u>	<u>\$ 73,806</u>

## 8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Time deposits (shown as 'current financial assets at amortised cost')	\$ 33,948	\$ 78,549	Guarantees for notes payable
Time deposits (shown as 'non-current financial assets at amortised cost')			Guarantee for mining land and deposits for construction
	<u>227,709</u>	<u>240,324</u>	
	<u>\$ 261,657</u>	<u>\$ 318,873</u>	

## 9. Significant Contingent Liabilities and Unrecognised Contract Commitments

### (1) Contingencies

None

### (2) Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet recognised is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Property, plant and equipment	<u>31,520</u>	<u>71,401</u>

B. The amount of unused outstanding letters of credit for the importation of raw materials of the Company for the year ending December 31, 2023 is as follows:

	<u>Monetary Item</u>	<u>Foreign Currency Amount</u> <u>(In thousands)</u>
Letters of credit	JYP	\$ 31,500
	RMB	2,500

## 10. Significant Disaster Loss

None.

## 11. Significant Events after the Balance Sheet Date

The distribution of 2023 earnings was resolved by the Company's Board of Directors on March 13, 2024. Please refer to Note 6(14) for related resolutions.

## 12. Others

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The management reviews the Group's capital structure periodically and considers the costs and risks involved for a particular capital structure. Generally, the Group adopts a prudent risk management strategy.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,613,506	\$ 1,190,131
Financial assets at amortised cost		
Cash and cash equivalents	\$ 2,930,678	\$ 2,767,084
Financial assets at amortised cost	452,467	864,753
Notes receivable	620,701	722,330
Accounts receivable	521,500	327,906
Other receivables	6,626	10,151
Guarantee deposits paid	33,451	32,956
	<u>\$ 4,565,423</u>	<u>\$ 4,725,180</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Notes payable	\$ 166,962	\$ 283,876
Accounts payable	675,743	765,076
Other payables (including current portion)	336,215	363,222
Guarantee deposits received	36,685	32,750
	<u>\$ 1,215,605</u>	<u>\$ 1,444,924</u>
Lease liability	<u>\$ 47,833</u>	<u>\$ 51,473</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by a central finance department (Group finance) under policies. Group finance identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Exchange rate risk

(i). The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

(ii). The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

				December 31, 2023		
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD : NTD	\$	10,956	30.728	\$	336,656
	RMB : NTD		31,027	4.3270		134,254
				December 31, 2022		
				Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD : NTD	\$	15,014	30.742	\$	461,560
	RMB : NTD		32,887	4.4080		144,966

(iii). The total exchange (loss)gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to (\$12,489) and \$12,381, respectively.

(iv). Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2023			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 3,367	\$ -
RMB : NTD	1%	1,343	-

Year ended December 31, 2022			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 4,616	\$ -
RMB : NTD	1%	1,450	-

ii. Price risk

- (i). The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The Group is not exposed to commodity price risk.
- (ii). The Group's investments in equity securities comprise domestic listed and unlisted shares. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased by \$13,334 and \$10,995, respectively, as a result of gains on equity securities classified as at fair value through profit or loss.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents as well as deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.
- ii. Based on the customers' contract period, financial position and past experience, the default occurs when the contract payments are past due over 150 days.
- iii. The Group adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- v. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- vi. The Group used the forecastability of overall economic information to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due
<u>December 31, 2023</u>			
Expected loss rate	0.00%-0.03%	0.03%-2.50%	1.00%-5.00%
Total book value	\$ 520,762	\$ 549	\$ 105
Loss allowance	\$ 113	\$ 11	\$ 5
	91~180 days past due	Over 181 days past due	Total
	7.50%-50.00%	94.00%-100.00%	
	\$ 202	\$ 435	\$ 522,053
	\$ 15	\$ 409	\$ 553
<u>December 31, 2022</u>			
Expected loss rate	0.00%-0.03%	0.03%-2.50%	1.00%-5.00%
Total book value	\$ 313,496	\$ 746	\$ 13,356
Loss allowance	\$ 55	\$ 5	\$ 64
	91~180 days past due	Over 181 days past due	Total
	7.5%-50.00%	94.00%-100.00%	
	\$ 173	\$ 1,432	\$ 329,203
	\$ 13	\$ 1,160	\$ 1,297

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for notes and accounts receivable are as follows:

	2023	
	Notes receivable	Accounts receivable
At January 1	\$ -	\$ 1,297
Provision for impairment	-	500
Write-offs	-	(197)
Reversal of impairment	-	(1,047)
At December 31	\$ -	\$ 553
	2022	
	Notes receivable	Accounts receivable
At January 1	\$ -	\$ 1,171
Provision for impairment	-	126
At December 31	\$ -	\$ 1,297

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. Surplus cash held by the operating entities, the treasury of each operating entity invests funds in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2023				
Notes payable (including related parties)	\$ 166,962	\$ -	\$ -	\$ -
Accounts payable	675,743	-	-	-
Other payables	336,215	-	-	-
Lease liability	12,199	8,132	12,363	19,645

Non-derivative financial liabilities

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
December 31, 2022				
Notes payable (including related parties)	\$ 283,876	\$ -	\$ -	\$ -
Accounts payable	765,076	-	-	-
Other payables	363,222	-	-	-
Lease liability	9,193	7,708	16,639	23,486

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

- A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in domestic and foreign listed stocks and fund is included in Level 1.

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. The domestic unlisted stocks and RMB financial products invested by the Group are included in Level 3.

- B. Fair value information of investment property at cost is provided in Note 6(9).
- C. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, notes payable, accounts payable, other payables, borrowings and guarantee deposits received) are approximate to their fair values.
- D. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at December 31, 2023 and 2022 are as follows:
- (a) The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ 34,499	\$ -	\$ 1,579,007	\$ 1,613,506
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ 38,020	\$ -	\$ 1,152,111	\$ 1,190,131

- (b) The methods and assumptions the Group used to measure fair value are as follows:
- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price
  - ii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to equity instruments without active market. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)J.

- iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- iv. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023	2022
	Non-derivative equity instrument	Non-derivative equity instrument
At January 1	\$ 1,152,111	\$ 1,205,795
Acquired in the period	1,794,332	1,675,704
Sold in the period	( 1,428,874)	( 1,743,398)
Gains and losses recognised in profit or loss (Note)	74,417	7,092
Transfers into other receivables	-	( 1,764)
Exchange difference	( 12,979)	8,682
At December 31	<u>\$ 1,579,007</u>	<u>\$ 1,152,111</u>

Note: Recorded as non-operating income and expense.

- G. Finance segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range	Relationship of input to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 194,140	Market comparable companies	Price to earnings ratio multiple	12.03~20.01	The higher the multiple, the higher the fair value
			Price to book ratio multiple	1.37~3.44	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20%~40%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	38,471	Net asset value	Net asset value	N/A	The higher the net asset value, the higher the fair value
			Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value
RMB financial products	1,346,396	Calculated based on the contract	Product yield	1%~4.2%	The higher the product yield, the higher the fair value
	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range	Relationship of input to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 138,085	Market comparable companies	Price to earnings ratio multiple	3.81~32.27	The higher the multiple, the higher the fair value
			Price to book ratio multiple	0.87~2.54	The higher the multiple, the higher the fair value
			Discount for lack of marketability	20%~40%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	44,266	Net asset value	Net asset value	N/A	The higher the net asset value, the higher the fair value
			Discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value
RMB financial products	969,760	Calculated based on the contract	Product yield	1%~3.7%	The higher the product yield, the higher the fair value

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2023				
		Recognised in profit or loss		Recognised in other comprehensive income		
	Input	Change	Favourable Change	Unfavourable Change	Favourable Change	Unfavourable Change
Financial assets						
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, discount for lack of marketability, net asset value and product yield	±1%	\$ 15,790	(\$ 15,790)	\$ -	\$ -

		December 31, 2022				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable Change	Unfavourable Change	Favourable Change	Unfavourable Change	
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, discount for lack of marketability, net asset value and product yield	±1%	\$ 11,521	(\$ 11,521)	\$ -	\$ -

### 13. Supplementary Disclosures

#### (1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: Please refer to table 1.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 3.
- H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 3.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

#### (2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to table 5.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

#### (4) Major shareholders information

Major shareholders information: Please refer to table 6.

### 14. Segment Information

#### (1) General information

The Group operates business only in a single industry. The Board of Directors, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

The Group's segment profit (loss) is measured with the net operating profit (loss).

(3) Segment Information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2023			
	Cement	Others	Reconciliation	Total
Revenue from external customers	\$ 6,043,782	\$ 216,082	\$ -	\$ 6,259,864
Inter-segment revenue	3,143,724	-	( 3,143,724)	-
Total segment revenue	<u>\$ 9,187,506</u>	<u>\$ 216,082</u>	<u>(\$ 3,143,724)</u>	<u>\$ 6,259,864</u>
Segment income	<u>\$ 926,716</u>	<u>\$ 184,902</u>		<u>\$ 1,111,618</u>

  

	Year ended December 31, 2022			
	Cement	Others	Reconciliation	Total
Revenue from external customers	\$ 6,178,050	\$ 210,288	\$ -	\$ 6,388,338
Inter-segment revenue	3,816,227	-	( 3,816,227)	-
Total segment revenue	<u>\$ 9,994,277</u>	<u>\$ 210,288</u>	<u>(\$ 3,816,227)</u>	<u>\$ 6,388,338</u>
Segment income	<u>\$ 812,718</u>	<u>\$ 180,036</u>		<u>\$ 992,754</u>

(4) Reconciliation for segment income (loss)

The reportable segment income or loss reported to the Chief Operating Decision-Maker is consistent with income/(loss) before tax from continuing operations of the statements of comprehensive income.

(5) Information on products and services

The revenue is mainly from cement sales, recycle process services and leasing business. Details of revenue are the same as Note 6(16).

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 3,010,513	\$ 2,574,592	\$ 2,213,586	\$ 2,542,359
China	3,249,351	1,800,522	4,174,752	1,923,700
	<u>\$ 6,259,864</u>	<u>\$ 4,375,114</u>	<u>\$ 6,388,338</u>	<u>\$ 4,466,059</u>

(7) Major customer information

The Group has no single customer whose sales amount reaches 10% of the net operating revenue.

Hsing Ta Cement Co., Ltd. and Subsidiaries  
Provision of endorsements and guarantees to others  
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company(%)	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	Hsing Ta Cement Co., Ltd.	Hsin I Ready Mixed Concrete Co., Ltd.	(2)	4,058,839	321,176	321,176	321,176	-	3.96	8,117,677	Y	N	N	
1	Hsin I Ready Mixed Concrete Co., Ltd.	Hsing Ta Cement Co., Ltd.	(3)	496,134	211,200	211,200	211,200	-	34.06	620,168	N	Y	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1)The Company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1)Having business relationship.
- (2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7)Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Under the Company's "Procedures for Provision of Endorsements and Guarantees", the Company's total guarantees and endorsements to others should not exceed the Company's net asset value based on the latest financial statements, and total guarantees and endorsements provided for a single party should not exceed 50% of the Company's net asset value based on the latest financial statements. The calculation is shown below:

- (1)  $\$8,117,677 \times 50\% = \$4,058,839$ .
- (2)  $\$8,117,677 \times 100\% = \$8,117,677$ .

Under the subsidiary, HSIN I READY MIXED CONCRETE CO., LTD.'s "Procedures for Provision of Endorsements and Guarantees", this company's total guarantees and endorsements to others should not exceed its net asset value based on the latest financial statements, and total guarantees and endorsements provided for a single party should not exceed 80% of its net asset value based on the latest financial statements. The calculation is shown below:

- (3)  $\$620,168 \times 80\% = \$496,134$ .
- (4)  $\$620,168 \times 100\% = \$620,168$ .

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Hsing Ta Cement Co., Ltd. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2023				Footnote (Note 4)
				Number of shares or units (in thousands)	Book value (Note 3)	Ownership (%)	Fair value	
Hsing Ta Cement Co., Ltd.	China Steel Corporation		Current financial assets at fair value through profit or loss	1,198	\$ 32,347		\$ 32,347	
	Hotung Investment Holdings Limited		"	60	2,152		2,152	
Jiangsu Xinning New Building Materials Co., Ltd.	Agricultural Bank of China Certificates Of Deposit		"	-	393,665		393,665	
	China Merchants Bank Certificates Of Deposit		"	-	302,890		302,890	
	SPD Bank Certificates Of Deposit		"	-	216,944		216,944	
	Bank of Jiangsu Certificates Of Deposit		"	-	130,007		130,007	
	Bank of China Certificates Of Deposit		"	-	43,270		43,270	
	China Merchants Bank Structured Deposits		"	-	129,810		129,810	
	Zijin Rural Commercial Bank Structured Deposits		"	-	43,270		43,270	
	China Minsheng Banking Structured Deposits		"	-	43,270		43,270	
Jiang Su Xin Ning New Building Materials Trading Co., Ltd.	Agricultural Bank of China Certificates Of Deposit		"	-	43,270		43,270	
					<u>\$ 1,380,895</u>		<u>\$ 1,380,895</u>	

		As of December 31, 2023						
Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	Number of shares or units (in thousands)	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Hsing Ta Cement Co., Ltd.	Chin Ta Construction Co., Ltd.		Non-current financial assets at fair value through profit or loss	5,200	\$ 34,679	19.90	\$ 34,679	
	Taiwan Ooparts Co., Ltd.	Other related party	"	538	3,792	18.68	\$ 3,792	
	Taian Insurance Co ,ltd		"	365	14,356	0.12	14,356	
	Pershing Technology Services Corporation		"	2,782	106,774	8.73	106,774	
	Fujitec Taiwan Co., Ltd.		"	70	14,562	2.33	14,562	
	Da Chiang International Co., Ltd.		"	3,448	58,448	1.72	58,448	
	Power Digital Card Co., Ltd.		"	796	-	1.70	-	
	Amcom Communications,inc. (Preferred Stock B)		"	520	-	11.15	-	
	Amcom Communications,inc. (Preferred Stock C)		"	189	-	9.70	-	
					<u>\$ 232,611</u>		<u>\$ 232,611</u>	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9 'Financial instruments'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Hsing Ta Cement Co., Ltd. and Subsidiaries  
Significant inter-company transactions during the reporting periods  
Year ended December 31, 2023

Table 3

Expressed in thousands of NTD  
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Hsing Ta Cement Co., Ltd.	Hsin I Ready Mixed Concrete Co., Ltd.	1	Sales revenue	\$ 150,820	Note 4	2.41
1	Jiangsu Xinning New Building Materials Co., Ltd.	Jiang Su Xin Ning New Building Materials Trading Co., Ltd.	3	Sales revenue	2,992,904	Note 4	47.81
1	Jiangsu Xinning New Building Materials Co., Ltd.	Jiang Su Xin Ning New Building Materials Trading Co., Ltd.	3	Notes receivable	368,215	Note 4	3.18
1	Jiangsu Xinning New Building Materials Co., Ltd.	Jiang Su Xin Ning New Building Materials Trading Co., Ltd.	3	Accounts receivable	279,670	Note 4	2.42

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to total assets for balance sheet accounts and based on accumulated transaction amount for the period to total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Note 5: The rental charged and the payment terms agreed are available to third parties.

Hsing Ta Cement Co., Ltd. and Subsidiaries

Information on investees

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income(loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (In thousands)	Ownership (%)	Book value			
Hsing Ta Cement Co., Ltd.	Hsin I Ready Mixed Concrete Co., Ltd.	Taipei city	Manufacturing and sales of concrete	\$ 60,720	\$ 60,720	6,072	55.20	\$ 341,867	\$ 89,618	\$ 49,469	Subsidiaries
	Synergy Development Co., Ltd	"	Agency service of real estates, etc.	58,800	58,800	5,880	98.00	64,642	674	661	"
	Soaring Power Corp.	Virgin Islands	Overseas investment	1,488,493	1,488,493	46,587	66.67	3,166,077	247,453	164,977	"

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1)The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..
- (2)The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.
- (3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Hsing Ta Cement Co., Ltd. and Subsidiaries  
Information on investments in Mainland China  
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD  
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 2)	Accumulated	Amount remitted from Taiwan		Accumulated	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31 2023	Accumulated	Footnote
				amount of remittance from Taiwan to Mainland China as of January 1, 2023	to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023	Remitted to Mainland China	Remitted back to Taiwan					amount of remittance from Taiwan to Mainland China as of December 31 2023	
Jiangsu Xinning New Building Materials Co., Ltd.	Manufacturing of new building materials, new special cement clinker, various silicate cement and new special cement, mineral powder, stone, commercial concrete and cement products; recycling and wholesale of recycled materials; treatment and recycling of sewage; treatment of solid waste; construction of interior and exterior decoration; sales of self-produced products and provide related supporting services; import and export business of self- management and agent of various goods and techniques (goods and techniques that are restricted to operate and prohibited to import and export by the country are excluded)	\$ 2,450,325	2	\$ 1,487,098	\$ -	\$ -	\$ 1,487,098	\$ 299,127	66.67%	\$ 199,428	\$ 3,176,333	\$ 2,333,533	Note3(2)B
		USD 76,880 (Note 1)	(Soaring Power Corp.)	USD 46,587			USD 46,587						
Nanjing Xinrong New Green Materials Co., Ltd.	Research and development of new environmental protection materials, technology promotion services; development and service of energy conservation and environmental protection technology; manufacturing of special equipment for environmental protection; promotion services of environmental protection technologies and energy conservation technologies; manufacturing and wholesale of non-metallic ore and products; wholesale of chemical products (excluding hazardous chemicals); fine processing of non-metallic ore	43,980	3	-	-	-	-	( 1,979)	35.15%	( 696)	8,154	-	Note3(2)C
		CNY 10,000	(Jiangsu Xinning New Building Materials Co., Ltd.)										
Jiang Su Xin Ning New Building Materials Trading	Sales of cement products, sales of construction materials, sales of perlite-based building materials, sales of building decorative materials, sales of asbestos products, sales of eco-environmental materials, research and development of new materials and technology	88,230	3	-	-	-	-	128,784	66.67%	85,860	165,941	-	Note3(2)B
		CNY 20,000	(Jiangsu Xinning New Building Materials Co., Ltd.)										

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Hsing Ta Cement Co., Ltd.	\$ 1,487,098 USD 46,587	\$ 1,656,669 USD 51,254	\$ 5,994,361

Note 1: It includes capitalisation of earnings amounting to USD 7,000 with amount of  $USD 7,000 \times 66.67\% = USD 4,666.9$  approved by MOEA.

Note 2: Investment methods are classified into the following four categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China : Soaring Power Corp.
- (3) Reinvestments through an existing company in Mainland China approved by MOEA: According to the regulation of MOEA, the Company needs no approval from MOEA for reinvestments through an existing company in Mainland China, thus, those investment amounts are not included in the ceiling on investments.
- (4) Others.

Note 3: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
  - A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
  - B. The financial statements that are audited and attested by R.O.C. parent company's CPA.
  - C. Others.

Note 4: The numbers in this table are expressed in New Taiwan Dollars.

Hsing Ta Cement Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2023

Table 6

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
YANG CHUNG-HSIUNG	41,528,048	12.17%
YANG REN-HSIUNG	36,108,783	10.58%
YANG JEE SHING	34,905,166	10.23%
HU MEI-HONG	20,668,448	6.06%