Stock code: 1108

Website to access the annual report
Website of Market Observation Post System, http://mops.twse.com.tw
Company website: http://www.luckygrp.com.tw

Lucky Cement Corporation

2023 Annual Report

Publication date: April 20, 2024

One. Spokesperson and Acting Spokesperson

Name: Hsiu-Chu Wen/Yi-Cheng Chen
Title: Manager/Assistant Manager
Telephone: (02) 2509-2188
Fax: (02) 2504-8672
E-mail: wendy@luckygrp.com.tw /ycchen@luckygrp.com.tw

Two. Address and Phone Number of Headquarters and Plants

Name	Address	Phone Number
Headquarters	15th Floor, No. 237, Songjiang Road, Zhongshan District, Taipei City	(02) 2509-2188
Dong-Ao Plant	No. 101, Section 3, Suhua Road, Nan'ao Township, Yilan County	(03) 998-6110
Puxin Plant	No. 191, Section 1, Meishi Road, Yong-Ping Village, Yangmei District, Taoyuan County	(03) 481-4788
Heren Plant	No. 73, Heren Road, Heping Village, Xiulin Township, Hualien County	(03) 868-1217

Three. Name, Address and Website of Stock Services
Name: Shareholder Services Department of SinoPac Securities Corporation
Address: 3rd Floor, No. 17, Bo'ai Road, Zhongzheng District, Taipei City 100
Telephone: (02) 2381-6288
Website: http://www.sinotrade.com.tw

Four. Auditors of the Last Audited Financial Report
Certified Public Accountants: Chao-Mei Chen, Chiang-Hsun Chen
CPA Firm: Deloitte Taiwan
Address: 20F, No. 100, Songren Road, Xinyi Road, Taipei City
Telephone: (02) 2725-9988
Website: http://www.deloitte.com.tw

Five. Name of overseas exchange where securities are listed, and the methods for inquiring the foreign-listed securities: NA.

Six. Company website: http://www.luckygrp.com.tw

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One. Letter to Shareholders

I. Chairman's speech

Greetings to all of our valued shareholders,

In 2023, the Company's consolidated operating revenue was NTD 5.09 billion, the consolidated operating profit was NTD 612 million, and the consolidated net profit was NTD 527 million. In 2023, the Company's operation saw a growth of over 20% in consolidated revenue compared to the previous year, surpassing the threshold of NTD 5 billion. Although the earnings per share declined slightly from NTD 1.43 in 2022 to NTD 1.30, we faced various challenges aimed to unfavorable global economic conditions and domestic downturn. Nevertheless, with the concerted efforts of all employees, we delivered a performance that is deemed acceptable.

Looking back on 2023, the world was affected by high inflation, high interest rates, and China's post-pandemic economic performance was not as good as expected, resulting in weak global demand for end products and slowdown of manufacturing activities in various countries. Naturally, Taiwan's economy was also affected, with a growth rate of only 1.4% last year. In addition, due to successive government measures to cool down the real estate market, such as the Equalization of Land Rights Act 2.0, the integration of land and housing taxes, selective credit controls, and property hoarding taxes, demand for housing has been suppressed. Additionally, factors such as labor shortages and inflation have contributed to a decline in private cement demand. However, thanks to continued high levels of public infrastructure spending in recent years, demand for Lucky Cement has remained relatively stable. In 2023, domestic cement demand saw a slight decrease of approximately 3% to 4% compared to 2022, with the demand estimated to be around 13 million metric tons.

Facing 2024, the International Monetary Fund (IMF) predicts a global economic growth rate of 3.1% for this year in its World Economic Outlook Report, citing unexpectedly strong economic performance in America and fiscal support in China as reasons. According to the forecast of the Director-General of Budget, Accounting and Statistics of the Executive Yuan, Taiwan's economic growth rate in 2024 is expected to be 3.43%, better than last year (2023). However, in an effort to curb inflation expectations, the government has raised interest rates and continues relevant measures to cool down the real estate market, which may still suppress private housing demand. Nevertheless, with high public construction expenditure expected this year, the market should be supported from experiencing a significant decline. Therefore, it is anticipated that the domestic cement and ready-mixed concrete market will continue to maintain stable momentum. The Company will continually review and implement various operational strategies, hoping that through the execution of such strategies and the collective efforts of all employees, we can continue to deliver good results in 2024.

Finally, we wish all shareholders good health and all the best! Thank you!

Chairman: Liang-Chuan Chen

II. 2023 annual business report

(I) Business performance:

1. Main production:

Item	2023	2022	Increase (Decrease)	Growth %
Cement and blast furnace slag (Unit: Thousand tonnes)	772	692	80	11.56%
Stone Materials (Unit: Thousand tonnes)	2,488	2,109	379	17.97%

Implementation status of the plan: The total production volume of cement and furnace slag was 772 thousand tonnes, the planned total production volume was 708 thousand tonnes and the achievement rate was 109%.

The total production volume of stones was 2,488 thousand tonnes, the planned total production volume was 2,457 thousand tonnes and the achievement rate was 101%.

2. Main sales:

Item	2023	2022	Increase (Decrease)	Growth %
Cement and blast furnace slag (Unit: Thousand tonnes)	742	685	57	8.32%
Stone Materials (Unit: Thousand tonnes)	1,250	1,063	187	17.59%
Cement and blast furnace slag (Unit: NT$1,000)	2,168,769	1,844,769	324,000	17.56%
Stone Materials (Unit: NT$1,000)	604,250	498,717	105,533	21.16%

Implementation status of the plan: The total sales volume of cement and furnace slag was 742 thousand tonnes, the planned total production volume was 665 thousand tonnes and the achievement rate was 86.2%.

The total sales volume of stone materials was 1,250 thousand tonnes, the planned total production volume is 1,303 thousand tonnes and the achievement rate was 95.9%.

(II) Financial income and expense and profitability analysis:

Unit: NT$ million

Item	2023	2022	Increase (Decrease)	Increase (Decrease)%
Operating revenue	5,095	4,149	946	22.80%
Operating profit (loss)	612	711	(99)	(13.92%)
Pre-tax net profit (loss)	660	688	(28)	(4.07%)
Annual net profit (loss)	527	581	(54)	(9.29%)

<table>
<tr><th colspan="3">Item</th><th>2023</th><th>2022</th></tr>
<tr><td rowspan="4">Standalone profit</td><td>Operating profit (loss) (%)</td><td rowspan="2">Proportion of Paid-in capital</td><td>12.01</td><td>8.93</td></tr>
<tr><td>Pre-tax net profit (loss) (%)</td><td>15.20</td><td>16.31</td></tr>
<tr><td colspan="2">Net profit (loss) in %</td><td>14.06</td><td>18.67</td></tr>
<tr><td colspan="2">Earnings per share (NT$)</td><td>1.30</td><td>1.44</td></tr>
</table>

(III) Research and development

The Company is developing Portland limestone cement to achieve the national long-term GHG reduction goal. This gradual replacement of Portland Type I cement with limestone cement will reduce the carbon emissions generated during cement production.

(IV) Ancillary business

1.Dai Shen Development Co., Ltd.

The land plot in the Daganlin area of Anle District in Keelung City which the Company invested in has undergone land preparation and development according to the original plan. The contract for the sales of land in the first phase has been signed, and the total amount of disposal was approximately NT$1.757 billion. The second-phase redevelopment zone is currently undergoing planning revision procedures.

The Company incurred a net loss of NTD 119.67 million in 2023.

2.Luckicon Ready Mixed Concrete Factory Co., Ltd.

The Company is constructing the Shulin and Luzhu plants, which are expected to start operation in Q4 of 2024.

In 2023, the Company's sales revenue was NTD 1.81155 billion, with a net profit of NTD 177.67 million.

3.Lucky Cement Corp., Japan

In 2023, the cement sales revenue was 7.47 million, with a net loss of NTD 9.23 million. The Company has decided in the Board of Directors meeting of 2024 to dispose of its assets and cease operations.

4.Luckyship Marine Agency Co., Ltd.

The 2023 net loss was NTD 4.58 million

5.Fu Yu Development Co., Ltd.

In 2023, the Company's sales revenue was NTD 14.08 million, with a net profit of NTD 2.67 million.

Chairman:  President:  Head of Accounting: 

III. 2024 annual business plan

Production and sales plan for 2024:

Unit: Thousand tonnes

Product	Production Volume	Sales Volume
Cement and blast furnace slag	650,000 to 900,000	650,000~1,000,000
Stone materials	2,000,000~2,500,000	1,200,000 to 2,000,000

In 2023, due to the continuous promotion of government public works and the demand for private construction, the Company benefited. Looking ahead towards 2024, the overall economic growth situation is better than that of 2023. However, the government has raised interest rates to curb inflation, and the shortage of labor has not yet eased. Therefore, the Company conservatively estimates that the sales volume of cement and slag powder in 2024 will be approximately 650,000 to 1,000,000 metric tons, and the sales volume of stone materials will be 1,200,000 to 2,000,000 metric tons.

Two. Company Profile

1974:	Establishment of Lucky Cement Corporation on May 7.
1979:	Breaking ground of Dongao plant project.
1981:	Completion of the 1st set of cement production equipment for operation at Dongao plant, with an annual production capacity of 600 thousand tonnes.
1983:	Expansion of Dongao plant added the 2nd set of cement production equipment.
1985:	Completion of the 2nd set of cement production equipment for operation at Dongao plant, with an annual production capacity of 800 thousand tonnes.
1986:	Upgrading the 1st set of cement production equipment at Dongao plant, improving its annual production capacity to 800 thousand tonnes.
1987:	Invested in Dai Shen Building Enterprise Co., Ltd. Invested in the establishment of Lucky Cement Corp., Japan.
1989:	Dai Shen Building Enterprise Co., Ltd. was renamed Dai Shen Development Co., Ltd.
1990:	Publicly listed for trading as a Type 1 company stock. Completion of storage and transportation station in Nangang for operation.
1991:	Completion of storage and transportation station in Taichung for operation to improve the cement delivery capacity in central Taiwan.
1992:	Purchased the land, plant and equipment of Yongkang Industrial Company's cement plant in Puxin, which has an annual production capacity of 200 thousand tonnes.
1993:	Justification project of the 1st set of cement production equipment at Dongao plant, improving its annual production capacity to 1 million tonnes. Invested in the establishment of Luckyship Marine Agency Co., Ltd. Invested in the establishment of Luckicon Ready Mixed Concrete Factory Co., Ltd.
1994:	3 set of cement mill equipment at Puxin plant completed at the end of the year, improving its annual production capacity to 1.4 million tonnes.
1995:	Improvement of the 1st rotary kiln in Dongao plant, bringing the annual production capacity of clinker to 1.2 million tonnes. So far, the two sets of cement rotary kilns in Dongao plant have an annual production capacity of 2 million tonnes of clinker, and the cement mills of Dongao and Puxin plants have an annual production capacity of as high as 3 million tonnes. The storage and transportation station in Taichung added one cement storage facility to increase the cement delivery capacity in central Taiwan. Began first phase expansion project of Heren mine to improve the development and quality of the mine source. Developing blast furnace slag products and promotion of the products from Puxin plant. Invested in the establishment of the Panama merchant marine Luckyship Marine Agency Co., Ltd. Invested in the establishment of Lucky Leopard Professional Basketball Co., Ltd.

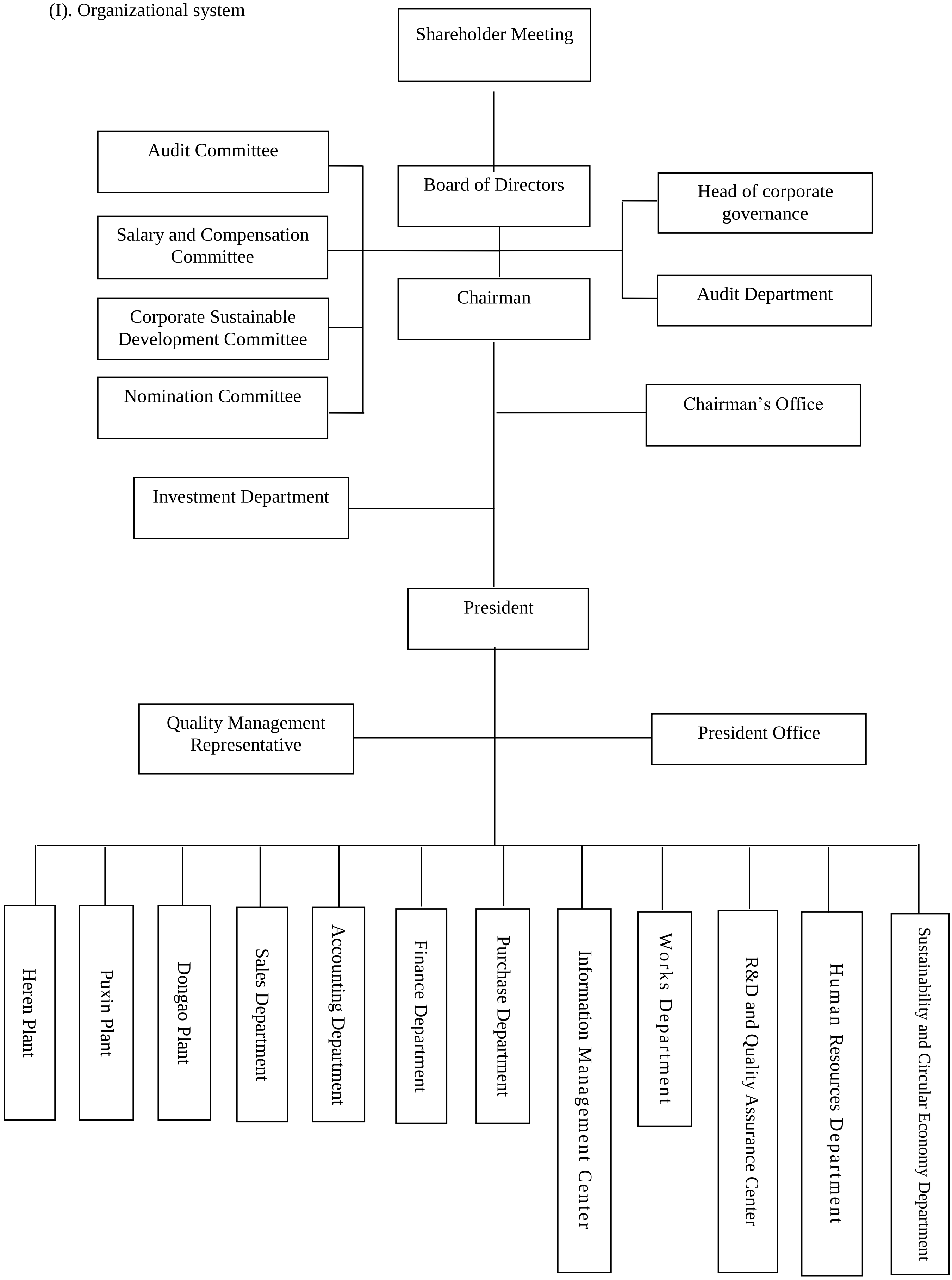
1996:	Official launch of blast furnace slag products. Dongao and Puxin plants obtained ISO 9002 certification.
1997:	Completed first phase expansion (limestone transportation and secondary crushing equipment) of Heren mine. Completion of justification project of Dongao plant.
1998:	Completion of addition of blast furnace slag production equipment at Puxin plant to add an annual production capacity of 300 thousand tonnes.
1999:	Completion of addition of fly ash production equipment at Puxin plant to add an annual production capacity of 260 thousand tonnes.
2000:	Add waste treatment business to increase operating revenue. Invested in the establishment of Just Bright (BVI). Invested in the establishment of Heren Harbor Development Co., Ltd.
2001:	Invested in the establishment of Chang-Hsin Optoelectronics (renamed Dong-Rui Optoelectronics).
2002:	Completion of storage and transportation station in Kaohsiung for operation to improve the cement delivery capacity in southern Taiwan. Dissolution and liquidation of Lucky Leopard Professional Basketball Co., Ltd.
2003:	Completion of Wudu storage and transportation station to replace the station in Nangang as the main delivery center in northern Taiwan. Dissolution and liquidation of the Panama merchant marine Luckyship Marine Agency Co., Ltd.
2004:	Began second phase expansion project of Heren mine to add mine source and development various limestone products to increase revenue.
2006:	Official launch of sand and gravel products. Subsidiary Luckyship Navigation S.A. Panama merchant marine company of Luckyship Marine Agency Co., Ltd. purchased a ship.
2007:	Renovated the second rotary kiln of Dongao plant in order to reduce the production cost. Established Fu Yu Development Co., Ltd. for the purpose of mining and transporting various limestone products.
2008:	Completed second phase expansion of the Heren mine. The Company obtained the ISO 9001:2008 quality certification.
2012:	Liquidation and closing of Luckyship Navigation S.A.
2015:	Subsidiary Luckyship Marine Agency purchased a ship. Subsidiary Dong-Rui Xiamen of Dong-Rui Optoelectronics conducted dissolution and liquidation.
2016:	Subsidiary Heren Harbor Development conducted liquidation and dissolution in September 2016.
2018:	Subsidiary Dong-Rui Optoelectronics was approved for registration of dissolution on November 8, 2018.

2019:	The board meeting on December 27, 2019 resolved to terminate the operation of the subsidiary Just Bright Ltd. (BVI).
2021:	Liquidation and closing of Just Bright Ltd. (BVI).
2024:	Establish a sustainability and circular economy department to promote corporate sustainability, circular economy, ESG initiatives, energy conservation, carbon reduction measures.
	On March 15, 2024, the Board of Directors resolved to dispose of the assets of the subsidiary in Japan and terminate its operations.

Three. Corporate Governance Report

I. Corporate organization

(I). Organizational system



(II) Business operations of main departments

Departments	Operations
President Office	Assist the president to handle various matters.
Dongao and Puxin plants	Manage production and manufacturing tasks of cement, blast furnace slag and fly ash, and Dongao plant also engages in waste treatment.
Heren Plant	Mining of rough stones, production of limestone, dimension stones and sand and gravel, and shipping management of related products.
Sales Department	Sales, coordination and shipping distribution management of cement, blast furnace slag, fly ash, dimension stones and sand and gravel at home and abroad.
Finance Department	Raising and allocation of capital and other services.
Accounting Department	Accounting and tax treatment matters.
Purchase Department	Procurement management of raw materials and supplies at home or abroad.
Works Department	Research and improvement of production equipment and manufacturing process and construction management matters.
Human Resources Department	Manage personnel recruitment and training and general affairs.
Information Management Center	Corporate information system planning, design, integration and maintenance.
Audit Department	Check and evaluate the reasonableness and appropriateness of various business controls.
R&D and Quality Assurance Center	Research and development of cement-related and other new products.
Investment Department	Domestic and foreign investment and management matters.
Sustainability and Circular Economy Department	Cooperate with the government's carbon reduction, ESG related policies, and circular economy-related business.

II. Information on directors and managerial officers

(I). Information on board members

April 20, 2024

Job title (Note 1)	Nationality or registration place	Name	Gender and Age (Note 2)	Date of Election (Inauguration)	Term Duration	Date First Elected (Note 3)	Shareholding at the time of appointment		Current share held		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Education Background (Note 4)	Concurrent Position in the Company or other Companies	Other managers, directors of supervisors who are spouse or blood relatives within the second degree			Remarks (Note 5)
							Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Job title	Name	Relationship	
Legal person director	Republic of China	Shi-Yi Cement Corporation	–	2022.06.30	3 years	2007.06.13	6,632,588	1.64 %	6,632,588	1.64 %	–	–	–	–	–	–	–	–	–	
	Republic of China	Representative: Liang-Chuan Chen	Male C	2022.06.30	3 years	1990.06.06	6,158,497	1.52 %	6,158,497	1.52 %	None	–	None	–	Chengzhou Elementary School	Chairman and president of Yong-Sheng Development/Luckicon Ready Mixed Concrete/Luckyship Marine Agency/Dai Shen Development/Lucky Cement Corp. Japan/Lucky Cement Corporation	Executive Vice President	Yun-Ju Chen	Father-Daughter	Note 5
	Republic of China	Shi-Yi Cement Corporation	–	2022.06.30	3 years	2007.06.13	6,632,588	1.64 %	6,632,588	1.64 %	–	–	–	–	–	–	–	–	–	
	Republic of China	Representative: Yun-Ju Chen	Female A	2022.06.30	3 years	2001.12.30	7,951,298	1.96%	7,952,298	1.96 %	–	–	None	–	EMBA from Tulane University, USA	Chairman of Ri Kon Construction/Executive vice president of Lucky Cement	Chairman	Liang-Chuan Chen	Father-Daughter	
Director	Republic of China	Hsiang-Lin Chang	Male B	2022.06.30	3 years	2007.06.13	7,539,587	1.86 %	7,539,587	1.86 %	None	–	None	–	Datong High School	Vice chairman of Hong-Chi Construction Co., Ltd.	None	–	–	
	Republic of China	Shang-Kai Cheng	Male A	2022.06.30	3 years	2019.06.12 (Note 6)	1,832,666	0.45%	1,832,666	0.45%	None	–	None	–	MBA from Suffolk University, USA	Director at Hai-Hua Investment	None	–	–	
Independent Director	Republic of China	Yan Chen	Female A	2022.06.30	3 years	2016.06.15	–	–	–	–	None	–	None	–	Tamkang University Department of Accounting	Financial consultant to Eorex Corporation. Senior VP at Zoyi Management Consulting.	None	–	–	
	Republic of China	Chih-Cheng Wang	Male A	2022.06.30	3 years	2016.06.15	–	–	–	–	None	–	None	–	National Chengchi University Doctor of Law	Vice president at Chinese Culture University. Professor and Dean of Department of Law at Chinese Culture University. Distinguished research professor (Professor emeritus) at National Chung-Cheng University. Independent director of Dyaco International. Member of Advisory Committee of Central Deposit Insurance Corporation.	None	–	–	
	Republic of China	Yang-Wei Shao	Male A	2022.06.30	3 years	2019.06.12	–	–	–	–	None	–	None	–	Ph.D., College of Engineering at National Taipei University of Technology	President of Ya-Bi-Si Construction. Vice chairman of Chung Hua Association for Financial and Economic Strategies. Chairman and honorary chairman of CCIM Taiwan Real Estate Investment Association.	None	–	–	

Note 1: Corporate shareholders should be listed by their names and representatives (representatives should indicate the name of corporate shareholders for whom they represent), filled in Table 1 below.

Note 2: A means under 60 years old, B is 60 to 69 years old, and C is 70 years and older.

Note 3: Please note any interruption to those who serve as a director or supervisor for the first time.

Note 4: Previous experience related to the current position. If the person in the most recent year has held a position at the accounting firm of the certified public accountant or an affiliated company, please state the position name and the tasks the person is responsible for.

Note 5: In the event that the Company's chairman and president or a position of the same level (top-level manager) are the same person, spouse or a first-degree relative, relevant information such as the reasons, rationality, necessity and future improvement measures must be disclosed (such as adding the seat number of independent directors, and there should be ways for majority directors who are not taking concurrent positions as employees or managers).

The chairman, who is the founder and CEO, possesses extensive industry experience. However, in order to enhance corporate governance and promote corporate sustainability, he resigned from the position of CEO effective December 29, 2023. Currently, out of the seven directors in the Company, three are independent directors, and more than half of the directors do not concurrently serve as employees or managers.

Note 6: Director Shang-Kai Cheng used to serve as the Company's supervisor before the re-election on 2019.06.12.

(1) **Table 1: Major shareholders of corporate shareholders**

April 20, 2024

Name of Corporate Shareholders (Note 1)	Principal shareholder of corporate shareholders (Note 2)
Shi-Yi Cement	Chang Heng Investment Co., Ltd. (32.49%), Ri Kon Construction Co., Ltd. (20.38%), Yun-Ju Chen (33.23%)

Note 1: If the director is the representative of corporate shareholder, fill in the name of the corporate shareholder.
Note 2: Fill in the name of the principal shareholders (top ten in shareholding) of corporate shareholders and their shareholding. If the principal shareholder is a legal person, please fill out Table 2 below.

(2) **Table 2: Principal shareholders of corporate shareholders in Table 1 who are legal persons**

April 20, 2024

Name of Legal Entity (Note 1)	Principal Shareholders of Legal Entity (Note 2)
Ri Kon Construction Co., Ltd.	Chang-Run Water Resources (29.45%), Golden Legend Investment (19.48%), Long Cosmos Investment (50.63%)
Long Cosmos Investment Limited	Shi-Yi Cement (99.85%)

Note 1: If the principal shareholder is a legal person, fill in the name of the legal person.
Note 2: Fill in the name of the principal shareholders (top ten in shareholding) of corporate shareholders and their shareholding.

(3) Information of directors:
(3-1) Disclosure of directors' professional qualifications and independence of independent directors: April 20, 2024

Unit: Share

Conditions / Name	Professional qualifications and experience (Note 1): Work experience	Professional qualifications and experience (Note 1): Any conditions defined in Article 30 of the Company Act.	Independence (Note 2): Person, spouse, or relatives within the second degree are directors, supervisors or employees of the Company or the affiliates.	Independence (Note 2): Number and percentage of company shares held by the person, spouse or second-degree relatives (or in the name of others): Number of Shares	Independence (Note 2): Number and percentage of company shares held by the person, spouse or second-degree relatives (or in the name of others): Ownership	Independence (Note 2): Whether serving as a director, supervisor or employee of a company that has specific affiliation with the Company	Independence (Note 2): The amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years.	Concurrently serving as an independent director in other publicly listed companies
Shi-Yi Cement Corporation Representative: Liang-Chuan Chen	Chairman and General Manager of Lucky Construction/Yung-Seng Development/Luckicon Ready Mixed Concrete/Luckyship Marine Agency/Dai Shen Development/Lucky Cement Corp. Japan, and Director of Lucky Cement Co.	No	Yes	18,644,577	4.61%	Yes	—	None
Shi-Yi Cement Corporation Representative: Yun-Ju Chen	Executive assistant in the Chairman’s Office. Chairman of Ri Kon Construction. Executive vice president of Lucky Cement Corporation.	No	Yes	18,644,577	4.61%	Yes	—	None
Hsiang-Lin Chang	Chairman of Fu-Du Construction Co., Ltd.. Director of Greenfort Construction. Director of Han-Bao Construction Co., Ltd.. President of She-He Construction Materials Co., Ltd.. Vice chairman of Hong-Chi Construction Co., Ltd..	No	No	—	—	No	—	None
Shang-Kai Cheng	Financial supervisor at Citibank (Wealth Management). Manager at Hai-Hua Investment.	No	No	—	—	No	—	None
Yan Chen (Independent director)	Executive VP of Aspiro (Taiwan) Ltd. Senior VP at Zoyi Management Consulting. Financial consultant to Eorex Corporation.	No	No	—	—	No	—	1
Chih-Cheng Wang (Independent director)	Vice president at Chinese Culture University. Professor and Dean of Department of Law at Chinese Culture University. Distinguished research professor (Professor emeritus) at National Chung-Cheng University. Independent director of Dyaco International. Member of Advisory Committee of Central Deposit Insurance Corporation.	No	No	—	—	No	—	1
Yang-Wei Shao (Independent director)	Honorary chairman of CCIM Taiwan Real Estate Investment Association. Vice chairman of Chung Hua Association for Financial and Economic Strategies. President of Ya-Bi-Si Construction.	No	No	—	—	No	—	None

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated, and explain whether there are no circumstances described in Article 30 of the Company Act.

Note 2: Describe the independence of independent directors, including but not limited to whether the person, spouse or relative within the second degree of kinship are serving as directors, supervisors or employees of the Company or its affiliates; the number of shares and the shareholding percentage held by the person, spouse or relative within the second degree of kinship (or in the name of others); whether the person is serving as a director, supervisor or employee of a company that has a specific relationship with the Company (please refer to Subparagraph 5 to 8, Paragraph 1 of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and other services within the last 2 years.

(3-2) Board diversity and independence

Article 20 of the Corporate Governance Best Practice Principles stipulates the policies on diversity as follows:

The Company's board shall guide the Company's strategy and supervises the management, and is responsible to the Company and shareholders. In terms of the operation and arrangement of the corporate governance system, the board exercises its powers in accordance with laws and regulations, the Articles of Incorporation or the resolutions of the shareholder meetings. The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as Company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:
I. Background and value: Gender, age, nationality, culture etc.
II. Knowledge and skills: Career background (e.g. law, accounting, industry, finance, marketing or technology), professional skill and industry experience.

The members of the Board of Directors are selected based on their expertise and qualifications, each possessing industry experience, relevant skills, and capabilities in areas including: 1. business judgment. 2. accounting and financial analysis. 3. operational management. 4. crisis handling. 5. industry knowledge. 6. international market perspective. 7. leadership. 8. decision-making ability

The current term (2022 to 2025) of the board consists of 7 members. According to the provisions of Article 20 of the Corporate Governance Best Practice Principles, the board diversity is related to the seat number of principal shareholders, the participation of female directors and the different professional fields of the elite members, and the board conducts the succession planning of management to achieve the sustainability goals. The election results of the current shareholder meeting have met the management objectives.

Implementation of diversity of board members:

Title	Name	Basic composition		Background of individuals					Gender ratio in board seats		Percentage of board members who are independent directors	Percentage of board members who concurrently hold an employee position	Age distribution of all board members	
		Nationality	Gender	Ability to make operational judgments.	Leadership and Decision-Making	Industry Knowledge	Financial accounting	Business administration.	Male	Female			60 years and older	Under 60 years old
Chairman and General Manager	Liang-Chuan Chen	Republic of China	Male	V	V	V	V	V	71%	29%	43%	29%	29%	71%
Executive VP	Yun-Ju Chen	Republic of China	Female	V	V	V	V	V						
Director	Hsiang-Lin Chang	Republic of China	Male	V	V	V	V	V						
Director	Shang-Kai Cheng	Republic of China	Male	V	V	V	V	V						
Independent Director	Yan Chen	Republic of China	Female	V	V	V	V	V						
Independent Director	Chih-Cheng Wang	Republic of China	Male	V	V	V	V	V						
Independent Director	Yang-Wei Shao	Republic of China	Male	V	V	V	V	V						

(II) Profile of president, vice presidents, assistant presidents, and supervisors of departments and branches

April 20, 2024
Unit: Share

Job title (Note 1)	Nationality	Name	Gender	Election / Appointment Date	Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		Main Work Experience or Educational Background (Note 2)	Concurrent Position in Other Companies	Managerial officers who are Spouse or Blood Relatives Within the Second Degree			Remarks
					Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership			Job title	Name	Relationship	
President	Republic of China	Liang-Chuan Chen	Male	1994.12.01	6,158,497	1.52%	0	–	0	–	Chengzhou Elementary School	Yong-Sheng Development Luckicon Ready Mixed Concrete Factory Luckyship Marine Agency Dai Shen Development Lucky Cement Corp., Japan Chairman	Executive VP	Yun-Ju Chen	Father-Daughter	Note 3
President	Republic of China	Ming-Hsien Chen	Male	2023.12.29	204,197	0.05%	9,740	–	0	–	Department of Physics, Chung Yuan Christian University	Goodfound Chemical Industrial Corp. Director	None	–	–	Note 5
Executive VP	Republic of China	Yun-Ju Chen	Female	2001.04.01	7,952,298	1.96%	0	–	0	–	EMBA from Tulane University, USA	Ri Kon Construction Chairman	President	Liang-Chuan Chen	Father-Daughter	
Assistant president	Republic of China	Chen-Ku Huang	Male	2003.07.11	6,520	0.00%	0	–	0	–	Department of Industrial Engineering at National Taipei University of Technology	None	None	–	–	
Department director	Republic of China	Yao-Yin Fu	Male	2020.01.30	0	–	0	–	0	–		Minghsin Industrial Junior College Department of Mechanical Engineering	None	–	–	Note 4
Manager of Finance Department	Republic of China	Hsiu-Chu Wen	Female	2002.07.01	13,717	0.00%	0	–	0	–	Department of Business Administration at National Taipei University of Business	Lucky Cement Corp., Japan and Luckicon Ready Mixed Concrete Factory Co., Ltd. Director Luckyship Marine Agency Co., Ltd. Supervisor	None	–	–	
Accounting Manager and the head of corporate governance	Republic of China	Ching-Tien Chang	Male	2019.12.27	21,000	0.01%	0	–	0	–	Master's degree in accounting at Chung Yuan Christian University	None	None	–	–	
Manager of the Audit Office	Republic of China	Wei-Jen Wang	Male	2009.11.18	0	–	0	–	0	–	Master’s degree in finance at Wright State University, USA	None	None	–	–	

Note 1: This shall include the information on the general manager, assistant general manager, directors of departments, managers of divisions and departments, and those whose positions are equivalent to the general manager, vice general manager or department directors shall also be disclosed, regardless of the position name.

Note 2: Previous experience related to the current position. If the person in the most recent year has held a position at the accounting firm of the certified public accountant or an affiliated company, please state the position name and the tasks the person is responsible for.

Note 3: In the event that the Company's chairman and president or a position of the same level (top-level manager) are the same person, spouse or a first-degree relative, relevant information such as the reasons, rationality, necessity and future improvement measures must be disclosed (such as adding the seat number of independent directors, and there should be ways for majority directors who are not taking concurrent positions as employees or managers).
The chairman, who is the founder and CEO, possesses extensive industry experience. However, in order to enhance corporate governance and promote corporate sustainability, he resigned from the position of CEO effective December 29, 2023.

Note 4: Mr. Yao-Yin Fu, Assistant Deputy General Manager of the General Manager Office resigned on March 15, 2023.

Note 5: On December 28, 2023, the Board of Directors approved the change of managers. Mr. Ming-Hsien Chen assumed office as the General Manager of the Company on December 29, 2023.

(III). Remuneration paid to directors of the board, independent directors, the president, and vice presidents

(1-1) Remuneration to directors and independent directors (disclose the name and remuneration separately) Unit: NTD thousands

Title	Name	Directors' remuneration								Total Remuneration (A+B+C+D) as % of the Net Income		Remuneration for concurrent position as an employee												Total Compensation (A+B+C+D+E+F+G) as a % of the Net Income		Compensation from invested businesses other than subsidiaries
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Directors (C) (Note 1)		Allowances for Operations (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F) (Note 2)		Employees' Profit Sharing Bonus (G) (Note 3)				Number of Shares Subscribed Through Employee Stock Options (H)		Number of Shares of Employee Restricted Stocks (I)				
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	
																Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends							
Director	Shi-Yi Cement Corporation	–	–	–	–	32,169	32,169	–	–	6.10%	6.10%	–	–	–	–	–	–	–	–	–	–	–	–	6.10%	6.10%	None
Director	Shi-Yi Cement Corporation Representative: Liang-Chuan Chen	–	–	–	–	–	–	1,200	1,200	0.23%	0.23%	2,490	5,612	129	279	326	–	326	–	–	–	–	–	0.79%	1.41%	
Director	Shi-Yi Cement Corporation Representative: Yun-Ju Chen	–	–	–	–	–	–	600	600	0.11%	0.11%	1,838	1,838	96	96	242	–	242	–	–	–	–	–	0.53%	0.53%	
Director	Hsiang-Lin Chang	4	4	–	–	407	417	600	600	0.19%	0.19%	–	–	–	–	–	–	–	–	–	–	–	–	0.19%	0.19%	
Director	Shang-Kai Cheng	4	4	–	–	407	407	600	600	0.19%	0.19%	–	–	–	–	–	–	–	–	–	–	–	–	0.19%	0.19%	
Independent Director	Yan Chen	–	–	–	–	150	150	840	840	0.19%	0.19%	–	–	–	–	–	–	–	–	–	–	–	–	0.19%	0.19%	
Independent Director	Chih-Cheng Wang	–	–	–	–	150	150	960	960	0.21%	0.21%	–	–	–	–	–	–	–	–	–	–	–	–	0.21%	0.21%	
Independent Director	Yang-Wei Shao	–	–	–	–	150	150	960	960	0.21%	0.21%	–	–	–	–	–	–	–	–	–	–	–	–	0.21%	0.21%	

Note 1: The actual amount of director remuneration distributed for 2023 is recommended by the Remuneration Committee in accordance with Article 30 of the Company's Article of Incorporation. Note 2: The figures disclosed for the retirement pension are the allocated amounts.

Note 3: The distribution of employee remuneration for 2023 is based on the actual amount in accordance with the Company's Articles of Incorporation.

Note 4: According to the Company's regulations on payment of remuneration and compensation, independent directors should receive no more than NT$100 thousand per month as a fixed remuneration payment, subject to the board's approval.

(2-1) Remuneration to General Manager and Deputy General Manager (disclose the name and remuneration separately) Unit: NTD thousands

Title	Name	Salary (A)		Severance Pay and Pensions (B) (Note 1)		Bonuses and Allowances (C)		Employees' Profit Sharing Bonus (D) (Note 2)				Total Remuneration (A+B+C+D) as a % of the Net Income		Number of Shares of Employee Stock Options Obtained		Number of Shares of Employee Restricted Stocks Obtained		Compensation from invested businesses other than subsidiaries
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	
								Cash Dividends	Stock Dividends	Cash Dividends	Stock Dividends							
President	Liang-Chuan Chen (Note 3)	2,150	4,646	129	279	340	966	326	0	326	0	0.56%	1.18%	–	–	–	–	None
Executive VP	Yun-Ju Chen	1,595	1,595	96	96	243	243	242	0	242	0	0.41%	0.41%	–	–	–	–	None

Note 1: The figures disclosed for the retirement pension are the allocated amounts.

Note 2: The distribution of employee remuneration for 2023 is based on the actual amount in accordance with the Company's Articles of Incorporation.

Note 3: Mr. Liang-Chuan Chen resigned from the position of General Manager, effective from December 29, 2023.

(3-1) Remuneration paid to the top five managers of TWSE/TPEx listed companies (disclose the name and means of remuneration separately) Unit: NTD thousands

Title	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonuses and allowances (C) (Note 3)		Employees' Profit Sharing Bonus (D) (Note 4)				Total Remuneration (A+B+C+D) as a % of the Net Income (Note 6)		Compensation from invested businesses other than subsidiaries (Note 7)
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company		From All Consolidated Entities (Note 5)		The Company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
–	A	2,150	4,626	129	279	340	966	326	–	326	–	0.56%	1.18%	None
–	B	1,595	1,595	96	96	243	243	242	–	242	–	0.41%	0.41%	None
–	C	1,309	1,309	73	73	115	115	198	–	198	–	0.32%	0.32%	None
–	D	1,204	1,204	73	73	236	236	182	–	182	–	0.32%	0.32%	None
–	E	1,175	1,175	73	73	171	171	178	–	178	–	0.30%	0.30%	None

Note 1: The "Five highest paid executives" refer to the Company's managerial officers. Please refer to Tai-Tsai-Zheng-San-Zhi #0920001301 document published by the Securities and Futures Bureau, Financial Supervisory Commission on March 27, 2003 on the standards which define the scope of roles of “managerial officers”. As for the calculation of the five highest amount in remuneration, it is the total of salary, retirement pensions, bonuses and allowances and employees' remuneration (that is, A+B+C+D) recorded on the consolidated financial reports received by the Company's managers, which is then ranked to show the managers who have the five highest figure in remuneration. For directors who take concurrent positions as the abovementioned managers, please fill in this table and the table above (1-1).

Note 2: Refers to the salary, differential pay for the job and severance of five highest paid managers in the most recent year.

Note 3: Refers to the various rewards, bonuses, transportation, special disbursement, various allowances, housing, cars and other tangibles and other remunerations of the five highest paid managers in the most recent year. In the case of provision of housing, cars and other forms of transportation or personal expenditure, disclose the nature and cost of the assets provided and the rent, gasoline and other payments paid at the actual or the fair market price. If a driver is assigned to the executive, please note the Company's payment to the driver, which is not included in the remuneration here. The salary expenses recognized in accordance with IFRS 2 Share-based Payment, including obtaining employee stock options, restricted stock awards, participation in new share issuance through cash capital increase, should be included in the remuneration.

Note 4: Refers to the employee remuneration (including stocks and cash), approved by the board, to be allocated to the five highest paid managers in the most recent year. If the amount cannot be estimated, calculate the amount for this year based on the actual allocated amount last year and then fill out Table (4-1)

Note 5: The total amount of remunerations paid to the five highest paid managers of the Company by all companies (including the Company) shall be disclosed in the consolidated report.

Note 6: The net income after tax refers to the number in the standalone and individual financial reports.

Note 7: a. This field should clearly state the amount of remuneration paid to the five highest paid managers from non-consolidated affiliates or the parent company. (Please fill in “None,” if there is none).

b. Remunerations refer to remuneration, compensation (including employee, director and supervisor compensation) and allowance for business operations received by the five highest paid managers of the Company who serve as directors, supervisors or managing executives of the other non-consolidated affiliates that are not subsidiaries or the parent company.

* The remunerations disclosed here in this Table are different from the incomes defined by the Income Tax Act. This Table is for the purpose of information disclosure and not for tax matters.

(4-1) Names of managers who are assigned employee compensation and the status of assignment

As of December 31, 2023. Unit: NTD thousands

	Title	Name	Amount of Compensation in Stocks	Amount of cash remuneration	Total	Total as % of the Net Income
Managerial officers	President	Liang-Chuan Chen	None	1,351	None	0.23%
	Executive VP	Yun-Ju Chen				
	Department director	Chen-Ku Huang				
	Manager	Hsiu-Chu Wen				
	Manager	Ching-Tien Chang				
	Manager	Wei-Jen Wang				

Explanation: The distribution of employee remuneration for 2023 is based on the actual amount in accordance with the Company's Articles of Incorporation.

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

1. Unit: NTD thousands

Job title	2023				2022			
	The Company		From All Consolidated Entities		The Company		From All Consolidated Entities	
	Amount	%	Amount	%	Amount	%	Amount	%
Directors and Independent Directors	44,322	8.41%	47,594	9.03%	46,580	8.01%	49,853	8.58%
General Manager and Vice General Managers	5,121	0.97%	8,393	1.59%	4,938	0.85%	8,211	1.41%

2. The Articles of Incorporation stipulate that the directors of the Company may receive remuneration on a monthly basis in accordance with the payment standard of industry peers, regardless of profit or loss. Besides, the shareholders or directors of the Company who work as managers or employees receive salaries as regular employees.
3. If the Company shows profit after the annual final accounts, it will allocate directors' remuneration and employees' remuneration according to the percentage stipulated in the Articles of Incorporation. Directors' remuneration is distributed based on the calculation and performance appraisal conducted by the Salary and Remuneration Committee in accordance with the Director Performance Appraisal Methods, which is reported to the board meetings for approval, so as to minimize the possibility of future risks. Director performance appraisal shall include the alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education and internal control. Managerial officers' remuneration is distributed based on the Company's profitability, work performance, management capabilities, work attitude, education and training of departments, and employees' career development plans evaluated by the Salary and Remuneration Committee as specified in the Articles of Incorporation and the Employee Performance Appraisal Measures, which is reported to the board meetings for approval.

III. Implementation of corporate governance

(I) Operation of the board of directors

The Board of Directors held 6 meetings (A) in the most recent year, and the attendance of directors are as follows:

Title	Name (Note 1)	Actual Attendance in Person, B	Attendance by Substitution	Actual Attendance Rate (%) (B/A) (Note 2)	Remarks
Chairman	Shi-Yi Cement Representative: Liang-Chuan Chen	6	0	100.00%	
Director	Representative of Shi-Yi Cement: Yun-Ju Chen	6	0	100.00%	
Director	Hsiang-Lin Chang	6	0	100.00%	
Director	Shang-Kai Cheng	6	0	100.00%	
Independent Director	Yan Chen	6	0	100.00%	
Independent Director	Chih-Cheng Wang	6	0	100.00%	
Independent Director	Yang-Wei Shao	6	0	100.00%	

Other issues to be recorded:

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

The attendance of independent directors at board meetings

◎: In person ☆: By proxy ＊: Not attending

Independent Director	1st meeting	2nd meeting	3rd meeting	4th meeting	5th meeting	6th meeting
Chih-Cheng Wang	◎	◎	◎	◎	◎	◎
Yan Chen	◎	◎	◎	◎	◎	◎
Yang-Wei Shao	◎	◎	◎	◎	◎	◎

1. Matters specified in Article 14-3 of the Securities and Exchange Act:
   Please refer to pages 48 to 50 (XI) for important resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the publication date of this annual report.
2. In addition to the aforementioned matters, any other resolutions of the Board of Directors on which independent directors expressed opposition or reservation and have records or written statements:
   The Board of Directors convened a total of 6 meetings in 2023. The 3 independent directors often provided advice during the meetings, which were duly recorded in the meeting minutes. However, there were no instances of opposition or reservation expressed by the independent directors.

II. For the recusal of directors due to conflict of interest, please describe the name of the director, the proposal content, the reason for recusal and the participation in voting.

Meeting Number Meeting Date	Content of Motions	Resolution	Status of Implementation
1st meeting 2023.01.13	Discussion Topics: Motion 1: Proposal to approve the disbursement of the 2022 annual bonuses for managers (submitted by the Remuneration Committee).	(I) For the voting on the proposal, the related parties, representatives of corporate directors Mr. Liang-Chuan Chen and Mrs. Yun-Ju Chen and managers Mrs. Hsiu-Chu Wen, Mr. Wei-Jen Wang and Mr. Ching-Tien Chang, recused themselves from the voting, and independent director Mr. Chih-Cheng Wang served as the acting chairperson of the meeting. (II) The acting chairperson consulted with the other attending directors, and the proposal was approved without objection.	Approved. Issued in February 2023.
4th meeting 2023.08.11	Discussion Topics: Motion 4: Proposal to approve the allocation of director remuneration for 2022 (submitted by the Remuneration Committee).	(I) When determining the remuneration for independent directors, all independent directors recused themselves from the voting due to conflict of interest. The motion was unanimously approved by all	Distributed in August 2023.

		non-independent directors present at the meeting. (II) When determining the remuneration for non-independent directors, all non-independent directors recused themselves from the voting due to conflict of interest. The motion was unanimously approved by all independent directors present at the meeting.	
6th meeting 2023.12.28	Discussion Topics: Motion 11: Discussion of the motion for the remuneration to the Chairman (submitted by the Remuneration Committee).	(I) Due to conflict of interest, Mr. Liang-Chuan Chen recused himself from voting on this motion, and Mr. Chih-Cheng Wang, an independent director, was appointed as the Chairman of this motion. (II) The acting chairperson consulted with the other attending directors, and the proposal was approved without objection.	Implemented in accordance with the resolution of the Board of Directors.

III. A publicly traded or OTC company shall disclose the information on evaluation cycle and period, scope, method and contents of the board's self (or peer) appraisal and fill out the attached table below regarding the execution of board appraisal.

Execution of board appraisal

Evaluation cycle	Evaluation period	Scope of evaluation	Assessment methods	Assessment contents
Once a year.	Evaluating the performance of the Board of Directors from January 1, 2023 to December 31, 2023.	The scope includes the performance appraisal of the board, individual board members and functional committees	Internal self-assessment by the board, self-assessment by board members, peer assessment, appointment of external specialized institutions, experts or other appropriate methods to conduct performance appraisal.	(1) Board performance appraisal: Includes the participation in the operation of the Company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control. (2) Individual board member performance appraisal: Includes the alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education and internal control. (3) Functional committee performance appraisal: The participation in the operation of the Company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, composition of the functional committee and election of its members and internal control. Board performance appraisal: At least includes the participation in the operation of the Company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors

				and internal control. Board performance appraisal: At least includes the participation in the operation of the Company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors and internal control.

IV. An evaluation of targets (such as establishing an audit committee, improving information transparency and others) and performance for strengthening the functional competence of the board during the current and the most recent years.

1. The Company held 6 Board of Directors' meetings in 2023, and all important motions were disclosed on the Market Observation Post System in accordance with the law to ensure disclosure.
2. The Company has built a strong board governance system and robust supervisory capabilities and reinforced management capabilities in line with the Board Meeting Rules of Procedures.
3. The board has approved the Measures for Self- or Peer-Evaluation of the Board in the meeting held on November 10, 2015. Starting 2020, self-appraisal questionnaires are sent to all board members and functional committee members in the 1st quarter every year to have them evaluate the operation of the board as a whole and the functional committees and their own performance of the previous year.
   After all the abovementioned questionnaires are collected, the board and relevant units conduct analysis based on the above measures and report the results to the board. The measures and results from the evaluation are disclosed on the Company's official website, and can be accessed at "Important Company Regulation -- Evaluation Measures for Performance of the Board" under the "Corporate Governance" category at http://www.luckygrp.com.tw/tw/index.asp?au_id=7&sub_id=49#
4. For the status on the individual performance self-appraisal of board members, please refer to http://www.luckygrp.com.tw/tw/index.asp?au_id=7&sub_id=73#
   The results of the most recent (2023) performance evaluation of the Board of Directors and each functional committee are as follows:
   (1) For the self-appraisal of board performance, the overall average score is 4.00 (out of 4.00).
   (2) For the self-appraisal of board members' performance, the overall average score is 4.00 (out of 4.00).
   (3) Performance self-appraisal of the functional committees:
      A. For the Audit Committee, the overall average score is 4.00 (out of 4.00).
      B. For the Salary and Remuneration Committee, the overall average score is 4.00 (out of 4.00).
      C. For the Corporate Sustainable Development Committee, the overall average score is 4.00 (out of 4.00).
      D. For the Nomination Committee, the overall average score is 4.00 (out of 4.00).

Note 1: For directors and supervisors who are legal persons, the name of the corporate shareholders and their representatives shall be disclosed.

Note 2: (1) If a director or supervisor leaves before the year ends, the resignation date, the rate of actual attendance or attendance as a non-voting participant shall be calculated based on the number of board meetings and the number of actual attendance in person or attendance as a non-voting participant.

(2) If there a re-election of directors and supervisors before the year end, the newly elected and incumbent directors and supervisors shall be listed. Their status of being the current, newly elected or re-elected and the re-election date shall be described in the remark field. The percentage of actual attendance or attendance as a non-voting participant shall be calculated based on the number of board meetings and the number of actual attendance in person or attendance as a non-voting participant.

(II) Operation of the Audit Committee: The Company elected 3 independent directors at the annual general meeting held on June 30 2022and set up the Audit Committee to replace the authority of supervisors in accordance with the Securities and Exchange Act.

The Audit Committee held meetings 5 times (A) in 2023, and the attendance of committee members are as follows:

Title	Name	Actual Attendance in Person (B)	Attendance by Substitution	Actual Attendance Rate (%) (B/A)	Remarks

Independent Director	Chih-Cheng Wang	5	0	100.00%	
Independent Director	Yan Chen	5	0	100.00%	
Independent Director	Yang-Wei Shao	5	0	100.00%	

Other issues to be recorded:

I. For matters listed in Article 14-5 of the Securities and Exchange Act and those that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors, the date, session, proposal content, and resolution specified and the opinion expressed by the Audit Committee, and the Company's handling of the Audit Committee's comments shall be specified: Not applicable.

II. For the recusal of independent directors due to conflicts of interests, please describe the name of the independent director, the content of motion, the reason for recusal and the participation in voting: Not applicable.

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

1. Communication between the Audit Department and independent directors:

Meeting Date	Type	Matters to be communicated	Recommendations from independent directors	Implementation results
2023.11.10	Separately and periodically (at least once a year)	1. Major work reports for Q3, 2023. 2. The Chairman and the President being the same person should be improved by December 31, 2023. 3. Enhance the ability to prepare financial reports on a self-service basis. 4. On March 3, 2023, the factory violated Article 20 of the Air Pollution Control Act, and on October 6, 2023, received a penalty notice with a fine of NTD 1.95 million. The Company issued a material announcement and promptly made improvements. 5. The head and deputy head of the Information Management Center have resigned, and it is recommended to make up for the appropriate manpower. 6. In response to the future global net-zero carbon emission trend, the Company promotes GHG inventory, sets carbon reduction goals, strategies, and specific plans, and coordinates related operations with the responsible units.	Inquire for details (No opinions)	The Company established the Department of Sustainability and Circular Economy in response to ESG, energy saving and carbon reduction related issues.

2. Communication between the CPAs and independent directors:

Meeting Date	Type	Matters to be communicated	Recommendations from independent directors	Implementation results
2023.03.30 and 2023.11.10	Separately and periodically (at least once a year)	Identify and communicate key audit matters	Inquire for details (No opinions)	Cooperated with CPAs to complete the audit of annual financial reports and quarterly reports.

IV. Action areas of the audit committee:

1. Establish or amend the internal control protocols in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control protocols.
3. Establish or amend procedures major financial or operational actions, such as acquisition or disposal of assets, engaging in derivatives trading, lending funds to others, endorsements or guarantees to others, in accordance with Article 36-1 of the Securities and Exchange Act.
4. Review matters bearing on the personal interest of a director.
5. Review material asset or derivatives transaction.
6. Review material monetary loan, endorsement or provision of guarantee.
7. Review the offering, issuance or private placement of any equity-type securities.
8. Review the hiring or dismissal of an attesting CPA or the compensation given thereto.
9. Review the appointment or discharge of principal financial, accounting, or internal auditing officers.
10. Review annual financial reports and semi-annual financial reports.

11. Review any other material matter so required by the company or the Competent Authority.

Audit Committee	Proposal Content and Follow-up Implementation	Resolutions	Company's handling of audit committee's opinions
1st meeting of 2023 2023.03.16	Motion 1: The Company’s 2022 business report and financial statements.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 2: Proposed to distribute employees and directors remuneration of the Company in 2022.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 3: Proposed the earnings distribution of the Company in 2022.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 4: Proposed to issue the 2022 Statement of the Internal Control System.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 5: Performance evaluation of the Audit Committee in 2022 of the Company.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 6: Renewal of mid-term secured loan facility with the Zhongshan Branch of Bank of Taiwan to meet the Company’s operational needs.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 7: Subsidiary Luckicon Ready Mixed Concrete Factory Co., Ltd., intends to apply for endorsement/guarantee provided by the Company to meet business turnover needs.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 8: Subsidiary Luckicon Ready Mixed Concrete Factory Co., Ltd., intends to apply for a credit line of financing from the Company to meet business turnover needs.	This motion was linked to the previous motion and the funds were sufficient after the achievement of the previous motion, so the Chairman agreed to withdraw the motion after consultation with	This motion was linked to the previous motion and the funds were sufficient after the achievement of the previous motion, so the chairperson agreed to withdraw the motion after consultation with all the directors present.

		all the directors present.	
	Motion 8: Subsidiary Dai Shen Development Co., Ltd., intends to apply for a credit line of financing from the Company to meet business turnover needs.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
2nd meeting of 2023 2023.05.11	Motion 1: Financial statements of Q1, 2023.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
3rd meeting of 2023 2023.08.11	Motion 1: The Company's financial statements of Q2, 2023.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 2: Proposed to establish the ex-dividend date, book closure period, and payment date for the distribution of cash dividends for 2023.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 3: Subsidiary Luckicon Ready Mixed Concrete Factory Co., Ltd., intends to apply for a credit line of financing from the Company to meet business turnover needs.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
4th meeting of 2023 2023.11.10	Motion 1: The Company's financial statements of Q3, 2023.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 2: Proposed not to distribute the cash dividends for the first half of 2023.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 3: Subsidiary Luckicon Ready Mixed Concrete Factory Co., Ltd., intends to apply for endorsement/guarantee provided by the Company to meet business turnover needs.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
6th meeting of 2023 2023.12.28	Motion 1: Proposed the 2024 operating budget and capital expenditure.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the

		with the board on the proposal.	proposal.
	Motion 2: Authorized the chairman to handle all matters related to the Company’s credit line with financial institutions in 2024.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Summary 3: Pre-purchase forward exchange within the Company's balance of foreign currency borrowing.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 4: The Board of Directors authorized the chairman to provide endorsements/guarantees for subsidiaries in 2024, within a certain limited amount.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
	Motion 5: 2024 internal audit plan.	Independent director Wang suggested increasing the special project audit for the significant subsidiary, Luckicon Ready Mixed Concrete Factory Co., Ltd. All other audits were approved as proposed without objections from attending independent directors.	Unanimous vote by all attending directors to approve the proposal by the Audit Committee after the chairperson consulted with the board on the proposal.
	Summary 6: Proposed to deliberate on the periodic (once a year) assessment for the independence and competence of the CPAs.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal by the Audit Committee after the chairperson consulted with the board on the proposal.
	Motion 7: Proposed the remuneration of the appointed CPAs of the Company in 2024.	Unanimous vote by all attending independent directors to approve the proposal after the chairperson consulted with the board on the proposal.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.

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

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
I. Does the Company follow "Corporate Governance Best Practice Principles" to establish and disclose its corporate governance practices?	✓		The board has approved the Company's Corporate Governance Best Practice Principles on December 26, 2014. The Principles are amended in accordance with the regulations of the competent authority. Please see the Company's website (https://www.luckygrp.com.tw/tw/index.asp?au_id=7&sub_id=49&Page=1) for the Corporate Governance Best Practice Principles which have been disclosed.	No difference.
II. Shareholding structure and shareholders' equity (I) Does the Company have internal operating procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		(I) The Company has established positions of spokesperson and acting spokesperson who work with the shareholder services agency "SinoPac Securities Corporation Shareholder Service Agency Department" to handle investor relations, shareholders' suggestions, concerns or disputes, etc.	(I) No difference.
(II) Does the Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		(II) The Company tracks the shareholding of directors, officers and principal shareholders who own more than 10% of shares.	(II) No difference.
(III) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		(III) Mutual exchanges or transactions are handled in accordance with laws and regulations, or relevant practices established in the internal control system according to law.	(III) No difference.
(IV) Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓		(IV) Internal control system: C2-103 Management Procedures for Preventing Insider Trading have provided standards.	(IV) No difference.
III. Composition and responsibilities of the board of directors (I) Has the board established a diversity policy and specific management objectives, and have they been implemented accordingly?	✓		(I) 1. In the Corporate Governance Best Practice Principles approved by the board for implementation, Article 20 of Chapter Three has policies on	(I) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			diversity of the board. The Articles of Incorporation stipulates that the nomination and election of directors adopts the candidate nomination approach, and the Company complies with the Procedures for Election of Directors and the Corporate Governance Best Practice Principles to ensure the diversity and independence of directors. 2. The members of the board have different professional backgrounds such as business, production, operation management, financial accounting and law to comply with relevant regulations. Please refer to the table on page 9 for a summary of the core competencies of board members. 3. Among the 7 directors of the board, 28.6% of the directors hold a concurrent position as an employee; 42.9% of board members are independent directors (who do not concurrently work as employees), female directors account for 28.6% of the board seas, and all three independent director have served their term less than six years. As of the publication date of the report, the age distribution shows that 1 director is over 70 years old, 1 is between 60 and 69 years old, and 5 are under 60 years old.	
(II) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other functional committees?	✓		(II) The board resolution at the meeting held on December 23, 2011 approved the formulation of the Salary and Remuneration Committee Organizational Procedures to establish the Salary and Remuneration	(II) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			Committee in accordance with the law. The Committee assesses the remuneration policies and practices for directors and managerial officers from a professional and objective perspective, and reports the meeting minutes and implementation status at board meetings. The board resolution at the board meeting held on May 10, 2017 approved the formulation of the Establishment Measures for Corporate Social Responsibility Committee; the board resolution on July 10, 2017 authorized the chairman to appoint members of the Corporate Social Responsibility Committee; and the board meeting held on May 12, 2021 approved the name change of the Committee to the Sustainable Development Committee. The board meeting held on March 22, 2019 approved the formulation of the Audit Committee Organizational Procedures. On June 12, 2019, the Audit Committee was established in response to the election for directors.	
(III) Has the Company established its Board Performance Appraisal Measures and the evaluation methods, conducted the performance appraisal regularly every year and provided the results to the board as the reference for directors' remuneration and nomination and renewal?	✓		(III) 1. The board approved the Measures for Self- or Peer-Evaluation of the Board in the meeting held on November 10, 2015, which was later amended and renamed the Board Performance Appraisal Measures at the board meeting held on August 11, 2020. Perform appraisal is conducted regularly every year, and the Measures are amended in accordance with the regulations of the competent authority. The results of the performance appraisal are disclosed on the Company's website (http://www.luckygrp.co	(III) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			m.tw/tw/index.asp?au_id=7&sub_id=73). 2. On March 22, 2019, the Board of Directors of the Company passed the amendment to the "Self-Evaluation or Peer Evaluation of the Board of Directors". In addition to the existing "Performance Evaluation of the Board of Directors" and "Board Member (Self-Evaluation or Peer) Evaluation", Performance Evaluation of Functional Committees" was added. Also, on August 11, 2020, the Board of Directors passed the amendments to rename is as “Board of Directors Performance Evaluation”, “Board Members Performance Evaluation”, and “Functional Committees Performance Evaluation”. These amendments were reviewed and approved by the Board of Directors on March 15, 2024. The overall performance of the Board of Directors, the members, and the functional committees in 2023 was deemed to be effectively operating. 3. Article 9 of the Board Performance Evaluation Measures states that the results of the board performance evaluation should be used as reference for selecting or nominating directors, and the performance evaluation results for each director are used as reference for determining the salary and remuneration.	
(IV) Does the Company regularly evaluate its external auditors’ independence?	✓		(IV) On November 10, 2015, the Board of Directors of the Company passed the “Regulations Governing the Suitability and Performance Evaluation of CPAs”. On March 24, 2020, the Board	(IV) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			of Directors passed the amendments to partial articles, and on December 28, 2023, the Board of Directors conducted an annual evaluation of the independence and suitability of the CPAs, confirming that there were no issues. (Note)	
IV. Has the Company allocated qualified and sufficient number of personnel and appointed managers in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors to comply with laws, handling matters relating to board meetings and shareholder meetings according to laws, recording minutes of board meetings and shareholder meetings, etc.)?	✓		The Company's dedicated (part-time) unit responsible for corporate governance is the corporate governance project team, which is composed of the executive vice president and the heads of various departments. On June 30, 2021, the board of directors approved the appointment of the head of corporate governance, and the unit carries out tasks according to the Company's Corporate Governance Best Practice Principles. The status of implementation is disclosed on the Company's website at http://www.luckygrp.com.tw/tw/index.asp?au_id=7&sub_id=97	No difference.
V. Has the Company established communication channels with stakeholders (including, but not limited to shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website and does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	✓		The Company has appointed a spokesperson and established a section on the website (http://www.luckygrp.com.tw) dedicated to communication with stakeholders. The section provides points of contact for investor relations, customer relations, employee relations, supplier relations, community relations and professional ethics, etc. Questions raised by different types of related parties are answered by the heads of the corresponding departments, and the status of implementation is disclosed on the CSR report every year. The spokesperson, acting spokesperson and the Company's shareholder services agency "SinoPac Securities Corporation Shareholder Service Agency Department" are responsible for handling and responding to suggestions or questions from investment stakeholders. The Company periodically (at least once a year) reports to the board on the communication	No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			with stakeholders and the Company's responses taken.	
VI. Has the Company designated an agent specializing in the handling of stock affairs to handle shareholder meeting affairs?	✓		Name, address, and phone number of stock transfer agency: Name: Shareholder Services Department of SinoPac Securities Corporation Address: 3rd Floor, No. 17, Bo'ai Road, Zhongzheng District, Taipei City 100 Telephone: (02) 2381-6288 Website: http://www.sinotrade.com.tw	No difference.
VII. Information disclosure (I) Has the Company established a public website to disclose operational, financial and corporate governance information?	✓		(I) Relevant information is disclosed on the Company's website in accordance with the law. The Company's website is (http://www.luckygrp.com.tw).	(I) No difference.
(II) Has the Company adopted other methods of information disclosure (*e.g.*, setting up an English website, designating a specialist responsible for gathering and disclosing Company information, setting up a spokesperson system, uploading recordings of investor conferences onto the Company website)?	✓		(II) The Company has established positions of spokesperson and acting spokesperson responsible for information disclosure in accordance with regulations and releasing press releases simultaneously when necessary. In 2023, the Company held an investor conference. In addition to uploading the relevant Chinese and English presentations to the Market Observation Post System, it was also announced on the Company's website at the same time. The Company's official website is available in English, and it provides information on the business, finance, corporate governance, etc.	(II) No difference.
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.		✓	(III) The Company submits its financial reports and the status on the monthly operations before the prescribed deadline.	(III) The Company submits the information only before the prescribed deadline.
VIII. Does the Company have other important information to facilitate			1. The Company has established an Employee Code of Conduct and the Employee Welfare Committee.	

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
better understanding of the Company's corporate governance practices (including, but not limited to current status of employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training regimes, risk management policies, and risk measurement standards as well as the implementation of client policies and the Company's purchase of liability insurance for its directors and supervisors)?	✓		2. The Company provides employee education and training programs to strengthen their professional knowledge and occupational skills. 3. The Company handles its important information in accordance with the provisions of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities to protect the interests of shareholders, stakeholders and investors. 4. The Company has a comprehensive internal control system, and each segment handles its assigned tasks (such as protecting the rights of consumers or clients) in compliance with the relevant rules and regulations to fulfill the administrator's duty of care. 5. The Company's directors have undergone relevant training in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies issued by the Taiwan Stock Exchange Corporation.	

Title	Name	Date of continuing education courses	Hours	Course name
Representative of legal person director	Liang-Chuan Chen	2023.05.26	3	"Green Chemistry for Sustainability" Seminars and Symposium
		2023.07.04	6	2023 Cathay Sustainable Finance and Climate Change Summit
Representative of legal person director	Yun-Ju Chen	2023.05.26	3	"Green Chemistry for Sustainability" Seminars and Symposium
		2023.07.04	6	2023 Cathay Sustainable Finance and Climate Change Summit
Director	Hsiang-Lin Chang	2023.05.26	3	"Green Chemistry for Sustainability" Seminars and Symposium
		2023.07.04	3	2023 Cathay Sustainable Finance and Climate Change Summit
Director	Shang-Kai Cheng	2023.05.26	2	"Green Chemistry for Sustainability" Seminars and Symposium
		2023.07.04	3	2023 Cathay Sustainable Finance and Climate Change Summit
Independent Director	Yan Chen	2023.07.04	6	2023 Cathay Sustainable Finance and Climate Change Summit
Independent Director	Chih-Cheng Wang	2023.05.26	3	"Green Chemistry for Sustainability" Seminars and Symposium
		2023.10.12	3	Legal risks of corporate investment and financing
Independent Director	Yang-Wei Shao	2023.05.26	3	"Green Chemistry for Sustainability" Seminars and Symposium
		2023.07.04	3	2023 Cathay Sustainable Finance and Climate Change Summit

6. The Company's directors often nurture themselves with books, news and magazines reading on financial news and participate in various seminars in order to achieve the ideal goal of corporate governance.
7. The Company has specified in the Articles of Incorporation that the Company may take out liability insurance within the

Issues to be Assessed	Implementation Status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			scope of business for the directors. The insurance was purchased from Cathay Century Insurance Co., Ltd., on June 2, 2023, with Policy Number: 1501-12DO01165, effective from June 28, 2023 to June 28, 2024. The renewal of directors' and supervisors' liability insurance was approved by the Board of Directors on May 11, 2023. 8. Supplier relationship: In addition to the management measures on procurement operation management, project contracting operation, supplier evaluation and assessment, etc., the Company has established a Supplier Code of Conduct based on the collaborative partnership with vendors or suppliers to jointly commit to fulfilling corporate social responsibilities, promoting environmental sustainability, valuing workers' rights, safety and health and protecting basic human rights. 9. The Company has established an information security risk management framework which includes the "Internet Security Policy" detailing regulations on information security duties, information security operations and protection, network security management, and system access control management, and the related personnel undergo education and training programs from time to time. The Company has not purchased information security insurance, but we regularly backs up data, and have established firewalls and access restrictions and other network security management measures, and update the virus code at any time to minimize the Company's information risks. As the issue of information security risk management becomes increasingly important, the necessity of purchasing information security insurance will also be carefully assessed in the future. Please refer to our website for further details. 10. The Company's remuneration system includes employee performance appraisal measures, and year-end bonuses are distributed according to the Company's operating performance and employees' work performance. 11. The Company has established the Succession Plan for Board Members and Key Management Personnel. Please refer to our website for relevant plans and implementation.	
IX. Please explain improvements that have been made as well as priorities to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center: (No need to fill this out if not listed as one of the rated companies) The Company's 2023 corporate governance evaluation results ranked in 51% to 65% of all listed companies, and the Company will continue to improve corporate governance.				

(Note) CPA Evaluation and Performance Appraisal Form (2023)

Item	Specific Indicators	Evaluation Criteria
Independence Indicators (60 points)		
1	The accountant has no direct or significant indirect financial interest relationship with the client.	5 points if there is no interest relationship, and 0 points if there is any.
2	The accountant has no undue interest relationship with the client.	5 points if there is no undue interest relationship, and 0 points if there is any.
3	Not auditing or verifying the financial statements of the organization within two years prior to the practice.	5 points if there is no violation, and 0 points if there is any.
4	The accountant's name shall not be used by others.	5 points if not used by others, and 0 points if it has been used.
5	The accountant and all members of the audit service team shall not hold the shares of the client.	5 points if they don’t own shares, and 0 points if they do.
6	Shall not have loaning or borrowing transactions with the client.	5 points if they don’t have any transaction, and 0 points if they do.
7	Shall not have a joint investment or benefits sharing with the client.	5 points if they don’t have any transaction, and 0 points if they do.
8	Shall not hold a concurrent position in the company to receive a fixed salary.	5 points if they don’t have any transaction, and 0 points if they do.
9	Shall not request any commission related to the tasks.	5 points if they don’t have any transaction, and 0 points if they do.
10	Has served as the client's CPA for more than seven consecutive years.	5 points if not, and 0 points if the duration has exceeded seven years.
11	Provide the Company with non-audit services that may directly affect the audit work.	5 points if they don’t have any transaction, and 0 points if they do.
12	The CPAs can generate a statement of independence.	5 points if they can, and 0 points if they cannot.
Performance Indicators (40 points)		
1	The official financial reports of the first three quarters should be reviewed within 45 days of the end of the quarter or the annual financial report should be audited within three months of the end of the year. (Official financial report)	4 points for completion at least 3 days ahead of schedule, 2 points for on-time completion, and 0 points for delay.
2	Time taken for the accountants to complete the Company's first three quarters of accounting review and complete the initial draft review data.	4 points are awarded if the reports from the first three quarters are reviewed within 30 days, 2 points are given if the review is completed within 40 days, and 0 points if it takes more than 40 days.
3	Time taken for the accountants to complete the Company's annual accounting audit and the initial draft review data.	4 points are awarded if the reports are audited within 60 days after the year ends, 2 points are given if the audit is completed within 70 days, and 0 points if it takes more than 70 days.
4	Time taken for the accountants to complete subsidiaries' annual accounting audit and the initial draft review data.	4 points are awarded if the reports are audited within 55 days after the year ends, 2 points are given if the audit is completed within 60 days, and 0 points if it takes more than 60 days.
5	The accountants have frequent interactions with Company's management personnel (internal auditors, etc.) and the records are retained.	4 points if they have, and 0 points if they don't have communication.
6	The accountants have appropriate communication with directors and officers and there are records kept before the audit planning and the issue of audit opinions.	4 points if they have, and 0 points if they don't have communication.
7	The accountants have made positive suggestions and kept records on the audit of the Company's system and internal control practices.	4 points if they have, and 0 points if they don't have communication.
8	Regularly and proactively update the Company on tax and securities laws and update and revise the IFRS accounting standards.	4 points if they have, and 0 points if they have not.
9	Stability of audit service team members.	4 points if they have, and 0 points if they have not.
10	Facilitate communication and coordination with competent authorities.	4 points if they have, and 0 points if they have not.
Total (out of 100 points)		

Note: If there are reasons attributable to the Company that affect the results of the assessment, the standards for related matters will be adjusted according to the circumstances.

(IV) Operations of the Salary and Remuneration Committee

(1) Information on members of the Compensation Committee

Conditions / Name Title (Note 1)	Professional qualifications and experience: Work experience	Professional qualifications and experience: Professional qualifications	Independence (Note 2): Person, spouse, or relatives within the second degree are directors, supervisors or employees of the Company or the affiliates.	Number and percentage of company shares held by the person, spouse or second-degree relatives (or in the name of others): Number of Shares	%	Whether serving as a director, supervisor or employee of a company that has specific affiliation with the Company	The amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and other services in the last 2 years.
Chih-Cheng Wang (Independent director and convener)	Vice president at Chinese Culture University. Professor and Dean of Department of Law at Chinese Culture University. Distinguished research professor (Professor emeritus) at National Chung-Cheng University. Independent director of Dyaco International. Member of Advisory Committee of Central Deposit Insurance Corporation.	Date of first appointment: 2016.06.15, and has years of experience in the banking and securities industries	No	—	—	No	—
Yang-Wei Shao (Independent director)	Honorary chairman of CCIM Taiwan Real Estate Investment Association. Vice chairman of Chung Hua Association for Financial and Economic Strategies. President of Ya-Bi-Si Construction.	Date of first appointment: 2019.06.12, and has years of experience in the construction industry	No	—	—	No	—
Tsui-Chuan Tsai (Others)	MasterLink Securities Corporation	Date of first appointment: 2011.12.23, and has years of experience in the securities industry.	No	—	—	No	—

Note 1: Please refer to Table 1 Director Information on p. 11 for the relevant professional qualifications and background experience of independent directors Chih-Cheng Wang and Yang-Wei Shao.

Note 2: Status of independence: Describe the independence of salary and remuneration committee members, including but not limited to whether the person, spouse or relative within the second degree of kinship are serving as directors, supervisors or employees of the Company or its affiliates; the number of shares and the shareholding percentage held by the person, spouse or relative within the second degree of kinship (or in the name of others); whether the person is serving as a director, supervisor or employee of a company that has a specific relationship with the Company; and the amount of remuneration received by providing the Company or its affiliates with business, legal, financial, accounting and other services within the last 2 years.

(2) Operations of the Salary and Remuneration Committee:

I. The Compensation Committee has 3 members.

II. The term of office of the current members: June 30, 2022 to June 29, 2025. In 2023, the Remuneration Committee held 5 meetings (A), and the qualifications and attendance of members are as follows:

Title	Name	Actual Attendance in Person (B)	Attendance by Substitution	Percentage of Actual Attendance (%) (B/A)	Remarks
Convener	Chih-Cheng Wang	5	0	100.00%	
Committee member	Yang-Wei Shao	5	0	100.00%	
Committee member	Tsui-Chuan Tsai	5	0	100.00%	

Salary and Remuneration Committee	Proposal Content and Follow-up Implementation	Resolutions	The Company's handling of the opinions of the Remuneration Committee
1st meeting of 2023 2023.01.13	Motion 1: Motion of year-end bonus for the Company's managers in 2022.	Unanimous vote by all attending committee members to approve the proposal.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.
2nd meeting of 2023 2023.03.16	Motion 1: Proposal for the 2022 remuneration of employees and directors of the Company.	Unanimous vote by all attending committee members to approve the proposal.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.
3rd meeting of 2023 2023.05.11	Motion 1: Amendments to the “Regulations Governing Director Remuneration and Payment Methods”.	Unanimous vote by all attending committee members to approve the proposal.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.
4th meeting of 2023 2023.08.11	Motion 1: The Company's 2022 director governance ratings.	Unanimous vote by all attending committee members to approve the proposal.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.
	Motion 2: The Company's 2022 distribution of remuneration to directors.	In this motion, director Chih-Cheng Wang and Yang-Wei Shao recused themselves due to conflict of interest, and the motion was approved by all the members present.	(I) When determining the remuneration for independent directors, all independent directors recused themselves from the voting due to conflict of interest. The motion was unanimously approved by all non-independent directors present at the meeting. (II) When determining the remuneration for non-independent directors, all non-independent directors recused themselves from the voting due to conflict of interest. The motion was unanimously approved by all independent directors present at the meeting.
5th meeting of 2023 2023.12.28	Motion 1: Distribution of 2022 employee remuneration for managers of the Company.	Unanimous vote by all attending committee members to approve the proposal.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.
	Motion No. 2: Remuneration to the Chairman of the Company.	Unanimous vote by all attending committee members to approve the proposal.	(I) Due to conflict of interest, Mr. Liang-Chuan Chen recused himself from voting on this motion, and Mr. Chih-Cheng Wang, an independent director, was appointed as the Chairman of this motion. (II) The acting chairperson consulted with the other attending directors, and the proposal was approved without objection.
	Motion 3: The appointment of the Company's new General Manager, Mr. Ming-Hsien Chen.	Unanimous vote by all attending committee members to approve the proposal.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.

Other issues to be recorded:

I.	If the board of directors does not adopt or amend the recommendations from the Salary and Remuneration Committee, it shall clarify the date, session, proposal content and resolution of the board and how the Company handles the recommendations of the Committee (such as that the salary and remuneration approved by the board are better than what the Committee recommended, and the differences and reasons should be clarified): None.
II.	If the Committee members have objections or reservations and there are records or written statements from the meetings, the date, term, proposal content, opinions of all members and the handling of their opinions shall be clearly stated: Not applicable.
III.	Duty of the Salary and Compensation Committee: (1) Formulate and regularly review the performance evaluation of directors, independent directors in the Audit Committee and managerial officers, and the policies, systems, standards and structure for their salary and compensation. (2) Regularly review and prescribe salary and remuneration for directors, independent directors in the Audit Committee and managerial officers.

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

(1) Qualifications and responsibilities of the members of the Company's nomination committee.

The Company has established a nomination committee in accordance with Paragraph 3, Article 27 of the Corporate Governance Best Practice Principles. The committee consists of three directors nominated by the board, of which more than half are independent directors. Its responsibilities are:

I. Specify the standards of professional knowledge, skills, experience, gender and independence required for board members and senior managers, and search, review and nominate candidates for directors and senior managers accordingly.

II. Construct and develop the organizational structure of the board and committees, conduct performance appraisal of the board, committees, directors and senior managers, and assess the independence of independent directors.

III. Formulate and regularly review the continuing education plan for directors and the succession plan for directors and senior managers.

IV. Establish the Company's Corporate Governance Best Practice Principles.

(2) Professional qualifications and experience of nomination committee members and the information on the operation of the committee

I. The nomination committee has 3 members.

II. The term of office of the current members: From June 30, 2022 to June 29, 2025. The Nomination Committee held 2 meetings in 2023, and the qualifications and experience of committee members, attendance, and discussed matters are as follows:

Title	Name	Professional qualifications and experience	Actual Attendance in Person (B)	Attendance by Substitution	Percentage of Actual Attendance (%) (B/A)	Remarks
Convener (Independent director)	Chih-Cheng Wang	Vice president at Chinese Culture University. Professor and Dean of Department of Law at Chinese Culture University. Distinguished research professor (Professor emeritus) at National Chung-Cheng University. Independent director of Dyaco International. Member of Advisory Committee of Central Deposit Insurance Corporation.	2	0	100%	
Committee member (Director)	Yun-Ju Chen	EMBA. More than 20 years of experience in the cement industry. Vice president of Lucky Cement	2	0	100%	
Committee member	Yan Chen	Bachelor's degree in business (accounting).	2	0	100%	

(Independent director)		Specializes in financial management. Financial consultant to Eorex Corporation. Senior VP at Zoyi Management Consulting.				

Nomination Committee	Proposal Content and Follow-up Implementation	Resolutions	Company's handling of nomination committee's opinions
1st meeting of 2023 2023.03.16	Motion 1: The Company's 2022 Nomination Committee performance evaluation.	The proposal was unanimously approved by all attending members after consulting by the Chairman.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.
	Motion 2: The Company's Board of Directors and Functional Committee members' performance evaluation for 2022.	The proposal was unanimously approved by all attending members after consulting by the Chairman.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.
2nd meeting of 2023 2023.12.28	Motion 1: Change of the General Manager of the Company.	After the Chairman consulted the attending members, it was suggested that the new General Manager should take office on December 29, 2023, and the resolution should be submitted to the Board of Directors.	Submitted to the board for discussion, and unanimous approval by all directors attending the board meeting.

Other issues to be recorded:
State the meeting date, session, and content of main motions of the nomination committee, the content of the recommendations or objections of the committee members, the results of resolutions, and the Company's handling of the opinions of the nomination committee: None.

(VI) Status of promotion of sustainable development and its discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (or one holding concurrent positions) unit to promote sustainable development, with the board authorizing the senior management to manage the organization which is supervised by the board?	✓		1. The company has established a corporate social responsibility committee under the board in accordance with Article 9 of the Corporate Social Responsibility Best Practice Principle in 2017. In line with the government's promotion of the Corporate Governance 3.0 - Sustainable Development Blueprint, we have renamed the original Corporate Social Responsibility Committee as the Corporate Sustainable Development Committee in 2021 to fulfill the principles of enterprise sustainability. 2. We have established a part-time operating unit to promote sustainable development, and the Quality	No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	
			Assurance Center is responsible for preparing the ESG report. The unit carries out relevant tasks in accordance with the Corporate Sustainability Best Practice Principles. For details, please refer to the Company's website. In addition to reporting to the Corporate Sustainability Responsibility Committee, it reports to the board at least once a year. 3. The Board of Directors’ meeting held in May 2023 of the Company has reported on the execution status and review of sustainable development responsibilities.	
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies and strategies?	✓		1. We have conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies and strategies based on the Sustainable Development Best Practice Principles, which will be implemented after being approved by the board. The scope of the Company's risk management includes managing strategic risks, operational risks, financial risks, information security risks, and risks of climate change and failure to comply with environmental protection, climate-related regulations and other international regulations and agreements. 2. The Company has also established a risk management team to identify and measure risks and control them within an acceptable range according to the scope of work of each department on a regular basis every year. The team reports to the board at least once a year on the risk environment and the implementation of risk control measures and the operation of risk management. Please refer to the Company’s website for the execution status of the risk management policy in 2023 (http://www.luckygrp.com.tw/tw/index.asp?au_id=11&sub_id=120).	No difference.
III. Environmental issues (I) Has the Company set up an environmental management system designed to industry	✓		(I) The Company has established the Safety and Environmental Protection Section, formulated	(I) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	
characteristics?			labor safety and health management measures, and regularly arranged dedicated personnel to check for air pollution and waste water.	
(II) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact?	✓		(II) Recycle and reuse listed waste from partner factories to meet the policy objectives of resources sustainability, reduce over-exploitation of natural resources, and provide more resources for the future generations.	(II) No difference.
(III) Has the Company assessed the current and future potential risks and opportunities from climate changes and taken measures to address climate-related issues?	✓		(III) 1. Climate change can pose current and future potential risks to the production of Dong-Ao plant, including in the Amendment to the Renewable Energy Development Act that electricity users use more than a certain contracted capacity should install renewable energy power generation equipment. Specific procedures:(1) Installation of renewable energy power generation devices (wind power, solar energy). (2) Set up energy storage equipment; (3) Purchase renewable energy certificates and annual quota obligations; (4) Obligatory users perform their duties in accordance with regulations. 2. The Greenhouse Gas Reduction and Management Act is to be renamed the Climate Change Response Act. In the first phase, a carbon fee will be levied on users with large greenhouse gas emissions. It is estimated that NT$100 to 300 (to be determined, and net zero emissions will be included in the provisions in order to achieve carbon neutrality by 2050) per ton of carbon dioxide emissions. Specific procedures:(1) Improve production techniques to reduce unit energy consumption of cement. (2) Substitution of raw materials. (3) Alternative fuels. (4) Improve clinker quality and reduce clinker coefficient of cement. (5) Renewable energy equipment. (6) Waste heat power generation. (7) Carbon sink afforestation. (8) Carbon capture. For the relevant information, please visit our website at	(III) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	
			http://www.luckygrp.com.tw/tw/index.asp?au_id=11&sub_id=120	
(IV) Has the Company compiled the greenhouse gas emissions, water consumption and total weight of waste the past two years and established management policies for energy saving and reduction of greenhouse gas emission, water consumption and other wastes?	✓		(IV) The Company has participated in the GHG voluntary reduction reporting program organized by the Industrial Development Bureau of the Ministry of Economic Affairs since 2014, and compiled and reported the emissions every year. Our GHG emissions have obtained the ISO-14064 third-party verification. Please see assessment item 7 (9). The Company has formulated relevant energy conservation and carbon emissions reduction policies, including GHG emissions reduction policies and energy management policies and the use of recycled water to clean vehicles to reduce water consumption. The relevant goals are as follows: The policy of saving electricity by 1% per year and reducing the total annual greenhouse gas emissions by more than 10% compared with the emissions in 2013 (base year). All goals in 2023 have been achieved.	(IV) No difference.
IV. Social Issues (I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		(I) The Company has formulated the Employee Work Rules and other relevant personnel management measures in accordance with the Labor Standards Act and other government laws and regulations, and recognized and supported the United Nations Global Compact, the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work and other internationally recognized human rights standards. We also have established the Human Rights Policy which includes the specific management measures as follows: 1. Respect human rights and implement gender equality. 2. No child under the age of 16 years shall be employed. 3. Provide female employees with time for nursing (or collect breast milk), menstrual leave, maternity leave, childbirth or parental leave, pregnancy examination leaves, etc.	(I) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	
			4. Provide workers with reasonable rest according to law, and do not apply forced labor. 5. Any type of discrimination is prohibited for employees who are hired, promoted, trained, and rewarded. 6. Respect employees who exercise rights to freedom of association, join trade unions, and seek nomination for or participate in labor committees. 7. Comply with labor health and occupational safety and health laws and regulations, reduce the danger and potential hazards in the work environment, and prevent the occurrence of occupational disasters. 8. The salary policy complies with relevant laws and regulations. The salary of employees shall not be lower than the minimum wage requirements, and employees shall be entitled to statutory benefits, reasonable rest and overtime pay. 9. Policies for prevention of sexual harassment and sexual assault.	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits) and appropriately reflected the business performance or results in the employee remuneration policy?	✓		(II) The Company formulates and implements reasonable employee welfare measures covering remuneration, vacation and other benefits, etc. For details, please refer to Chapter 5 Labor Relations of the annual report and the Company's website (http://www.luckygrp.com.tw/tw/index.asp?au_id=7&sub_id=99) According to the Articles of Incorporation, if the Company is profitable in the fiscal year, 3% of the profit shall be offered as bonuses for employees.	(II) No difference.
(III) Does the Company provide employees with a safe and healthy working environment and regularly conduct safety and health training?	✓		(III) In order to provide employees with a safe and healthy work environment, the Company has established the Safety and Health Work Rules in accordance with the Enforcement Rules of the Occupational Safety and Health Act and implemented prescribed	(III) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	
			safety and health management measures for employees to follow, and regularly carries out safety and health checkups to protect employees' personal safety. The Company regularly conducts employee health checks and safety and health education and training sessions. For the relevant information, please visit the Company's website (http://www.luckygrp.com.tw/tw/index.asp?au_id=7&sub_id=101).	
(IV) Has the Company established effective career development training plans?	✓		(IV) The Company reviews employees' career development training plan in the annual performance appraisal. Carried out by department heads.	(IV) No difference.
(V) Has the Company complied with the relevant regulations and international standards and formulated policies for protection of consumers and clients' rights and interests and grievance procedures with respect to consumer health and safety, customer privacy, marketing and labeling of products and services?	✓		(V) Portland Cement must comply with the CNS standards and obtain orthographic marks and ISO certification. All departments of the Company can handle customer complaints. The Company's website shows points of contact that handle various opinions and suggestions from various stakeholders. Opinions and complaints are then forwarded to relevant departments for feedback as soon as possible. We discloses the number of customer complaints and resolution status in the Corporate Social Responsibility Report every year.	(V) No difference.
(VI) Has the Company established supplier management policies which require suppliers to comply with regulations on environmental protection, occupational safety and health or labor rights and reported the implementation status?	✓		(VI) The Company has established a supplier management policy which covers five dimensions: 1. Supplier development and management. 2. Supplier evaluation and audit. 3. Supplier code of conduct and commitment to ethics and integrity. 4. Supplier audit, training, communication and coaching. 5. Operational method. Every year, the procurement department forms a task force to conduct self-assessment and inspection of suppliers in accordance with the relevant regulations of Lucky Cement suppliers and major issues such as environmental protection,	(VI) No difference.

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	
			occupational safety and health, labor rights, etc., and provide coaching, follow-up and improvement. For suppliers whose results do not meet the standards, rigorously enforce the audit every year. For those who still have not achieved improvement three years after the audit, transactions are suspended or rejected. The task force reports the status of implementation to the board at least once a year. The contracts signed by the Company and suppliers expressly require manufacturers to abide by the relevant provisions of the Labor Standards Act, and to comply with the Air Pollution Control Act and other relevant environmental protection laws, and take appropriate preventive measures. In terms of labor safety, vendors shall abide by the provisions of the Occupational Safety and Health Act, and take necessary protective measures in advance against various disasters or incidents that may occur, and must purchase labor or accident insurance policies for employees. In terms of information security, it is prohibited to infringe on the intellectual property rights of others or harm the rights and interests of others. The Company has been promoting the Supplier Code of Conduct since 2016, which incorporates major issues such as ethical management, human rights and environmental protection, and requires vendors to follow them. If suppliers violate and damage the Company's goodwill or corporate image, the contract may be cancelled at any time. We have established the Supplier Evaluation and Audit Measures, and conducted evaluation of suppliers on a regular basis to ensure that they comply with relevant standards.	
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainability reports and other		✓	We have referred to the GRI Standards: Core published by the GRI in the preparation of our corporate social responsibility reports.	The report has not yet obtained confirmation or guarantee from a third-party verification unit.

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	
reports which disclose the Company's non-financial information? Have the abovementioned reports obtained the verification or assurance opinions from third-party certification organizations?				

VI. If the Company has established its own sustainability principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation in the Company: None.

VII. Other important information for facilitating the understanding of CSR and its implementation:

We have always emphasized the importance of environmental protection, often participating in and sponsoring community activities, traditional culture and indigenous culture, community development efforts, and local environmental protection activities (such as greening, adopting and cleaning beaches, maintenance of public facilities in communities) and sponsoring scholarships for outstanding primary and secondary school students. Environmental protection is part of our core competencies, and we actively apply the reuse and conservation of resources.

(1). The Company recycles the wastes from the partnering factories which have been approved by the government for reuse to reduce the impact of wastes on the society and environment, achieve the full reuse of resources, and reduce the over-exploitation of natural resources.

(2). We provide timely assistance to neighboring communities, such as mechanical and electrical maintenance support for Dong-Ao Fishing Port, greening and beach cleaning of Dong-Ao Bay, scholarships for students in the Dong-Ao communities and subsidies for senior care and welfare programs and local community senior cafeteria.

(3). Based on the consideration of energy conservation carbon reduction and environmental protection, we spare no efforts in committing our manpower and resources in the water pollution control, control of stationary sources, soil and water conservation, environmental monitoring, greening of vegetation and other regular environmental inspection works.

(4). Our #2 kiln renovation project has upgraded the cyclone preheater from Grade 4 to Grade 5, which increases the heat exchange efficiency and reduces the coal consumption and the use of natural resources. The upgrades adopts the low-NOx process to reduce the emissions of NOx, further reducing the impact on the environment. Continuous emission monitoring systems (CEMS) are installed in the main discharge pipeline to strictly control the exhaust quality.

(5). In 2023, a total of NTD 1,545 thousand was spent on giving back to local governments due to the fulfillment of social responsibility.

Total of 33 cases of community givebacks in 2023:

Humanities and arts education activities (20 cases)	Local community senior cafeteria (1 case)
Health and sports activities (9 cases)	Respect for the Elderly Event for Double Ninth Festival (2 cases)
Religious worshiping activities (6 cases)	Elementary school education scholarship (1 case)
Dongyue and Dong'ao community construction and renovation (11 cases)	Other services for the neighborhoods (1 case)
Assistance in community cleaning and events (2 cases)	

(6). The Company's electricity conservation target: Achieve an annual saving target of 1% during the planning period from 2015 to 2023, with each year exceeding 1%.

(7). The Company's greenhouse gas emissions reduction policy:

- Committed to the Company's GHG inventory and registration
- Accurately grasp the Company's GHG emissions status
- Propose feasible solutions for GHG emissions reduction
- Carry out GHG emissions reduction work plan
- Fulfill social responsibility of circular economy
- Green growth and sustainable development

Energy policy:

- Use high-efficiency energy conservation equipment
- Improve efficiency of energy utilization
- All employees participate in energy savings and carbon reduction

Issues to be Assessed	Implementation Status			Differences from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons for discrepancies.
	Yes	No	Summary description	

- Comply with relevant government laws and regulations
- Achieve energy goals

(8). The specific results of the improvement plan for energy conservation measures in 2022 and the energy conservation measures and implementation plans in 2023 are detailed in the following table:

2022 Specific results of the improvement plan for energy conservation measures	2023 Energy conservation measures and implementation plans
1. Replacement of the lining plate in the first compartment of Cement Mill No. 2, with adjustment of the steel ball ratio. 2. 4 sets of 30HP air compressors (including 1 spare) in the #3 raw material warehouse were upgraded to 2 sets of 100HP VF air compressors. 3. Improvement of the lighting in the factories, and the old light tubes were replaced with LED lamps. 4. Organic sludge as an alternative fuel source. 5. Non-hazardous sludge and waste oil mixture as alternative fuel. 6. Responsive management measures aligning with government needs.	1. Upgrade of electric dust collector 2. Improvement of the lighting in the factories, and the old light tubes were replaced with LED lamps. 3. Upgrade of 1L116-M1 air compressor in cement mill system.
The power saving in 2022 was 672,463.52 GW.	

(9). The statistics for GHG emissions, water consumption, and total weight of waste at the Company's Dongao plant for the past two years are as follows:

Year	Total GHG emissions (metric tons CO_2 e)	Water consumption (m3)	Total weight of waste disposed of* (metric tons)
2022	547,480.59 for Scope 1. 37,566.94 for Scope 2 Total 585,047.53 metric tons of CO2e	1,003,564	167,727.21
2023	566,486.82 for scope 1. 37,645.34 for scope 2 Total 604,132.16 metric tons of CO2e	867,935	103,216.91

*The Company shows its commitment to circular economy by conducting waste disposal business.

(10). The Company has established the Corporate Sustainable Development Committee composed of three directors, of which two are independent directors, and their responsibilities are:

A. Formulate corporate sustainable development policies and systems.
B. Deliberate over corporate sustainable development annual plan and strategic direction.
C. Deliberate over corporate sustainable development projects and activities.
D. Review corporate sustainable development report.
E. Deliberate over issues with corporate sustainable development and participation in public affairs delegated by the board.

The Corporate Sustainability Development Committee meets at least once a year. For details on its operations, please refer to the Company's website (http://www.luckygrp.com.tw/tw/index.asp?au_id=11&sub_id=102)

Information on the members of the Corporate Sustainable Development Committee

Name	Title	Job title	Related expertise
Yun-Ju Chen	Director	Committee member	EMBA. More than 20 years of experience in the cement industry.
Yan Chen	Independent Director	Committee member	Financial management
Chih-Cheng Wang	Independent Director	Committee member	Vice president at Chinese Culture University. Professor and Dean of Department of Law at Chinese Culture University. Distinguished research professor (Professor emeritus) at National Chung-Cheng University. Independent director of Dyaco International. Member of Advisory Committee of Central Deposit Insurance Corporation.

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

The board approved the formulation of the Ethical Corporate Management Best Practice Principle in the meeting held on November 7, 2014. The ISO operations and relevant management measures have terms on the performance of ethical management, such as that employees' work rules have service discipline clauses and the procurement measures have related standards, so the Company's fulfillment of ethical management and the operations implementation measures are considered good.

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
I. Establish corporate conduct and ethics policy and implementation measures.				
(I) Does the company establish ethical management policies approved by the board and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?	✓		(I) On November 7, 2014, the Company formulated the Ethical Corporate Management Best Practice Principles approved by the board in reference to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies as the basis for implementing ethical management, which can be amended at anytime at the competent authority's request. We promote the ethical management policy through education and training sessions and the signing of the Supplier Code of Conduct, and report the status of implementation to the board at least once a year. For the information on the work plan and status of implementation, please refer to the Company's website (http://www.luckygrp.com.tw/tw/index.asp?au_id=7&sub_id=51). The board approved the Company's Measures for Filing Grievances Against Illegal and Immoral or Unethical Behaviors in the meeting held on March 28, 2016. The action showed our commitment in implementing the business policy.	(I) No difference.
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at	✓		(II) By establishing good corporate governance and risk control practices and comprehensive internal regulations, we rigorously put the Ethical Corporate Management Best Practice Principles into practice and prevent the occurrence of unethical behaviors listed in Paragraph 2 of Article 7 to create an environment for the	(II) No difference.

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?			sustainable development of the Company.	
(III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and grievance process in the program preventing unethical conduct and put them in practice, and regularly reviewed and amended the program?	✓		(III) The Company has established Employee Work Rules, which clearly stipulate that employees shall not use their power to seek illegal benefits, or accept gratuity, gifts, kickbacks, embezzlement of public funds or other illegal interests; the rules are to prevent unethical behavior from affecting business relations or transactions. The Company has established a website for whistleblowing and grievance filing measures. The status of implementation is reported to the board at least once a year as the basis for further review and revision.	(III) No difference.
II. Practice ethical operations (I) Does the company assess the ethics records of whom it has business relationships with and include business conduct and ethics related clauses in the business contracts?	✓		(I) We confirm the company's authenticity through website of the Department of Commerce, Ministry of Economic Affairs at the time of transactions and purchases, and check vendors' records of transactions through various channels (such as credit reporting) to verify the business integrity of the transaction counterparty. We report the current status of each customer and supplier in the business and operation management meetings. If a transaction counterparty is found to be involved in unethical behaviors, we will immediately and strictly control the credit transactions, understand the current situation of the party's risk exposure, and prudently evaluate whether we should terminate the transactions.	(I) No difference.
(II) Has the Company established a specialized unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports	✓		(II) For the purpose of improving ethical management, the Company has authorized the Chairman's Office for the formulation the Company's ethical management policy and	(II) No difference.

<table>
<tr><th rowspan="2">Issues to be Assessed</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?</td><td></td><td></td><td>the Human Resources Department as the part-time unit responsible for the promotion of the policy and reporting results of implementation to the board at least once a year and publishing the results on the Company's website.</td><td></td></tr>
<tr><td>(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?</td><td>✓</td><td></td><td>(III) The Company's Board Meeting Rules of Procedures stipulate that directors or other legal person representatives shall state the important aspects of the interested party relationship at the meeting, and recuse themselves from participating in discussion or voting on the matters for which they are the interested party, and may not act as another director's proxy to exercise voting rights on such matters.
1. Interest relationship with the directors or the legal persons they represent, which may cause harm to the Company's interest.
2. Directors believe that they should recuse themselves from the matters.
3. The board resolution determines that they shall recuse themselves from the matters.</td><td>(III) No difference.</td></tr>
<tr><td>(IV) Has the Company established an effective accounting and internal control system to put ethical operations management into practice and arranged for the internal audit unit to formulate audit plans based on the risk assessment of unethical conduct and audit the compliance to prevent unethical conduct, or commissioned independent auditors to conduct the audit?</td><td>✓</td><td></td><td>(IV) The Company has a rigorous accounting system, and all final accounts are checked by certified accountants to ensure their fairness. We also have an independent dedicated audit unit, which regularly conducts various internal audits according to the annual audit plan. The head of auditing shall report the status of auditing to independent directors at least once a year.</td><td>(IV) No difference.</td></tr>
<tr><td>(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?</td><td>✓</td><td></td><td>(V) We organize ethical management education and training sessions for new hires every year, and report the status of the education and training of the current year to the board.
Implementation status of education and training in 2023:<table><tr><th>Course topics</th><th>Hours/ Session</th><th>Total number of people</th></tr><tr><td>Code of Business</td><td>30 minutes</td><td>38</td></tr></table></td><td>(V) No difference.</td></tr>
</table>

Issues to be Assessed	Implementation Status			Differences from the Ethical Corporate Management Best Practice Principles for the Listed Companies and reasons for discrepancies
	Yes	No	Summary description	
			Integrity	
III. Operations of the Company's grievance reporting system (I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels and designate responsible individuals to handle the complaint received? (II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation? (III) Does the Company adopt proper measures to shield a complainant from retaliation for filing complaints?	✓ ✓ ✓		(I) The Company has established rules for appraisal and reward and punishment. If there is any reason for employees to violate the ethical management regulations, the heads of the departments responsible for the appraisal will jointly review the reward and punishment matters and inform the related personnel of the content in a personnel order letter. (II) The standard operating procedures for the investigation of reported matters are based on the Measures for Filing Grievances Against Illegal and Immoral or Unethical Behaviors. After the investigation, response matters are taken, and appropriate protective measures in accordance with laws are adopted to protect the personal data and privacy of the whistleblowers. (III) Unless otherwise stipulated by law, we keep the personal information of the whistleblowers confidential, and take appropriate protective measures to protect whistleblowers' personal data and privacy, so that they will no be mistreated.	(I) No difference. (II) No difference. (III) No difference.
IV. Enhance information disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and the Market Observation Post System?	✓		Our website (http://www.luckygrp.com.tw) has disclosed the philosophy of ethical management.	No difference.
V. If the company has established corporate governance policies based on the Ethical Corporate Management Best Practice Principles for the Listed Companies, please describe any discrepancy between the policies and their implementation in the Company: None.				
VI. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (such as reviewing and amending the Company's existing Ethical Corporate Management Best Practice Principles). None				

(VII) **If the Company prescribed the rule of corporate governance and relevant regulations, the Company should disclose its search method:**

The board has approved the Company's Corporate Governance Best Practice Principles on December 26, 2014, and other relevant regulations can be accessed at "Important Company Regulation" under the "Corporate Governance" category at http://www.luckygrp.com.tw/tw/index.asp?au_id=7&sub_id=49#

(VIII) **Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:**

The board has approved the Corporate Social Responsibility Best Practice Principles, the Ethical Corporate Management Best Practice Principles and the Codes of Ethical Conduct on November 7, 2014. On December 26, 2014, the board approved the Corporate Governance Best Practice Principles and amended the provisions of the Corporate Social Responsibility Best Practice Principles and the Ethical Corporate Management Best Practice Principles. On March 24, 2015, the board approved the amendment to the provisions of the Corporate Governance Best Practice Principles and the Codes of Ethical Conduct. On December 21, 2015, the board approved the amendment to the provisions of the Ethical Corporate Management Best Practice Principles.

The board approved the Company's Measures for Filing Grievances Against Illegal and Immoral or Unethical Behaviors in the meeting held on March 28, 2016.

In accordance with the provisions of the Tai-Zheng-Zhi-Li-Zi Document #10800083781 dated May 23, 2019 and the Tai-Zheng-Zhi-Li-Zi Document #1090002299 dated February 13, 2020, the Company's Ethical Corporate Management Best Practice Principles were amended, and the 5th board meeting of 2019, held on August 12, and the 2nd board meeting of 2020, held on March 24, resolved to approved the amendments.

In accordance with the provisions of the Tai-Zheng-Zhi-Li-Zi Document #10900094681 dated June 3, 2020, the Company's Codes of Ethical Conduct were amended, and the 4th board meeting of 2020, held on August 11, resolved to approved the amendments.

In accordance with the provisions of the Tai-Zheng-Zhi-Li-Zi Document #11000241731 dated December 7, 2021, the Company's Corporate Sustainability Best Practice Principles were amended, and the 7th board meeting of 2021, held on December 28, resolved to approved the amendments proposed by the Corporate Sustainable Development Committee.

In accordance with the provisions of the Tai-Zheng-Zhi-Li-Zi Document #11100042501 dated March 8, 2022, the Company's Rules of Procedures for Shareholder Meetings were amended, and the 2nd board meeting of 2022 held on March 31, 2022 and the annual general meeting of shareholders held on June 30, 2022 resolved to approved the amendments.

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

1. Statement on Internal Control

Lucky Cement Corporation
Statement on Internal Control:

Date: March 15, 2024

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year of 2023:

I. The Company’s board and management are responsible for establishing, implementing and maintaining a proper internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability of our financial reporting and compliance with applicable laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. However, internal control system of the Company features a self-monitoring mechanism that enables immediate rectification of deficiencies upon discovery.

III. The Company evaluates the design and execution of its internal control system based on the criteria specified in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Governing Principles") to determine whether or not the existing policies continue to be effective. The criteria adopted by the Governing Principles identify five key components of managerial internal control: 1. Control environment. 2. Risk assessment. 3. Control activities. 4. Information and communication. 5. Monitoring. Each component has its own items. Please see the Governing Principles for details.

IV. We have evaluated the design and operating effectiveness of our internal control system according to the aforementioned Governing Principles.

V. Based on the aforementioned evaluation results, the Company believes that the internal control system (including the supervision and management of subsidiaries) as of December 31, 2023, including the effect of understanding the effectiveness and the efficiency of operations, reporting reliability, timeliness, transparency, compliance with relevant regulations, and adherence to applicable laws and regulations, is effectively designed and implemented to reasonably ensure the achievement of the aforementioned objectives.

VI. This Statement will be an integral part of the Company’s annual report and prospectus, and will be made public. Any falsehood, concealment or other illegality in the content made public will entail legal liability under Article 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This statement was approved by the Board of Directors of the Company on March 15, 2024. Among the seven directors present, none of them held any dissenting opinion, and all of them agreed with the content of this statement.

Lucky Cement Corporation
Chairman Liang-Chuan Chen
General Manager: Ming-Hsien Chen

2. No accountants were commissioned this year to review the internal control system.

(X) **For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the Company or its internal personnel, any sanctions imposed by the Company upon its internal personnel for violations of internal control system, principal deficiencies, and the state of any efforts to make improvements**: Please refer to IV. Environmental protection expenditure on p. 67.

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

(1) Contents and implementation status of important resolutions of the 2023 General Shareholders' Meeting:

Date of Annual General Meeting	**Key Resolutions**
2023/06/30	I. Ratification of the 2022 business report and financial statements. II. Ratification of 2022 earnings distribution.
Implementation	I. The Company's 2022 business report, financial statements, and earnings distribution. The net profit after tax was NTD 581,215,582, with a proposed cash dividend of NTD 0.80 per share, totaling NTD 323,790,439. The Board of Directors has resolved on August 11, 2023 to determine the ex-dividend date, book closure period, and cash dividend payment date .

(2) **Contents of important resolutions of the Board of Directors in 2023 and as of the publication date of this annual report**

Meeting Number	**Meeting Date**	**Key Resolutions**	**Resolutions and Status of Implementation**
I	**2023/01/13**	I. Motion of the Remuneration Committee for the allocation of year-end bonus for the Company's managers in 2022.	(I) Mr. Liang-Chuan Chen, Ms. Yun-Ju Chen, Ms. Hsiu-Chu Wen, Mr. Wei-Jen Wang, and Mr. Ching-Tien Chang were related parties with conflict of interest. Therefore, they recused themselves from voting, and independent director Chih-Cheng Wang, an independent director, was appointed as the Chairman of this motion. (II) The acting chairperson consulted with the other attending directors, and the proposal was approved without objection.
II	**2023/03/16**	I. Ratification of the endorsement/guarantee of NTD 60 million for the CP issued by Ta Ching Bills to subsidiary Dai Shen Development Co., Ltd.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		II. The 2022 business report and financial statements of the Company.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		III. Distribute the 2022 remuneration to employees and directors.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		IV. Motion to formulate the Company's 2022 earnings distribution plan.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		V. Issuance of the 2022 "Statement of Internal Control System" of the Company.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VI. Motion of the "Performance Evaluation of the Board of Directors and Functional Committees" of the Company in 2022.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VII. Motion on the date of the 2023 annual general shareholders' meeting of the Company and related matters.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VIII. Motions by shareholders and nomination rights.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		IX. Motion of the renewal of mid-term secured loan facility with the Zhongshan Branch of Bank of Taiwan to meet the Company's operational needs.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		X. Motion of the subsidiary Luckicon Ready Mixed Concrete Factory Co., Ltd., intending to apply for endorsement/guarantee provided by the Company to meet business turnover needs.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		XI. Motion of the subsidiary Luckicon Ready Mixed Concrete Factory Co., Ltd., intending to apply for a credit line of financing from the Company to meet business turnover needs.	This motion was linked to the previous motion and the funds were sufficient after the achievement of the previous motion, so the chairperson agreed to withdraw the motion after consultation with all the directors present.
		XII. Motion of the subsidiary Dai Shen Development Co., Ltd., intending to apply for a credit line of financing from the Company to meet business	Unanimous vote by all attending directors to approve the proposal after the chairperson

Meeting Number	Meeting Date	Key Resolutions	Resolutions and Status of Implementation
		turnover needs.	consulted with the board on the proposal.
III	2023/05/11	I. Ratification of the motion to reduce the provision of joint guarantees for the subsidiary, Luckicon Ready Mixed Concrete Factory Co., Ltd.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		II. Ratification of the motion of providing endorsements/guarantees for subsidiary Dai Shen Development Co., Ltd.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		III. Motion of the Company's financial statements of Q1, 2023.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		IV. Motion of the renewal of the "Director, Supervisor and Key Employees' Liability Insurance" for all directors.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		V. Motion to amend the "Regulations Governing the Directors' Remuneration and Payment Methods".	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
IV	2023/08/11	I. Ratification of the motion for providing endorsement/guarantee to the subsidiary, Lucky Cement Corp., Japan.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		II. Ratification of the motion of the provision of endorsement/guarantee for the subsidiary, Luckicon Ready Mixed Concrete Factory Co., Ltd.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		III. Ratification of the motion of the renewal of the "Directors and Key Employees Liability Insurance" for all directors.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		IV. Ratification of the motion of the Company's application for the extension of restricted mining right and reduction of the national park area by Heren Mine.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		V. Motion of the Company's financial statements of Q2, 2023.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VI. Motion for the ex-dividend date, book closure period, and payment date for the distribution of cash dividends for 2023.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VII. Motion of the Company's 2022 director governance ratings.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VIII. Motion of the report by the Remuneration Committee for the distribution of remuneration to directors for 2022.	(I) When determining the remuneration for independent directors, all independent directors recused themselves from the voting due to conflict of interest. The motion was unanimously approved by all non-independent directors present at the meeting. (II) When determining the remuneration for non-independent directors, all non-independent directors recused themselves from the voting due to conflict of interest. The motion was unanimously approved by all independent directors present at the meeting.
		IX. Motion of the subsidiary Luckicon Ready Mixed Concrete Factory Co., Ltd., intending to apply for a credit line of financing from the Company to meet business turnover needs.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
V	2023/11/10	I. Motion of the Company's financial statements of Q3, 2023.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		II. Proposed not to distribute the cash dividends for the first half of 2023.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		III. Motion of the subsidiary Luckicon Ready Mixed Concrete Factory Co., Ltd., intending to apply for endorsement/guarantee provided by the Company to meet business turnover needs.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
VI	2023/12/28	I. Ratification of the motion to the provision of joint guarantees for the subsidiary, Luckicon Ready Mixed Concrete Factory Co., Ltd.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		II. Ratification of the motion of providing endorsements/guarantees for subsidiary Dai Shen Development Co., Ltd.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		III. Motion of the 2024 operating budget and capital expenditure.	Independent Director Wang suggested setting the budget for earnings per share at NTD 1.2, which was unanimously approved by all directors attending the meeting without objections.
		IV. Authorized the chairman to handle all matters related to the Company's credit lines with financial institutions in 2024.	Unanimous vote by all attending directors to approve the proposal after the chairperson

Meeting Number	Meeting Date	Key Resolutions	Resolutions and Status of Implementation
VI	2023/12/28		consulted with the board on the proposal.
		V. Pre-purchase forward exchange within the Company's balance of foreign currency borrowing.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VI. Authorized the Chairman to provide endorsements/guarantees for the Company's subsidiaries in 2024, within a certain limited amount.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VII. Motion of the 2024 internal audit plan.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VIII. Proposed to deliberate on the periodic (once a year) assessment for the independence and competence of the CPAs.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		IX. Motion of the remuneration of the appointed CPAs of the Company in 2024	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		X. Motion of the distribution of 2022 employee remuneration for managers of the Company.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		XI. Motion of the change of the Company's General Managers and their remuneration.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		XII. Motion of lifting restrictions on the non-competition clause for newly appointed General Managers of the Company.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		XIII. Motion for the remuneration to the Chairman of the Company.	(I) Due to conflict of interest, Mr. Liang-Chuan Chen recused himself from voting on this motion, and Mr. Chih-Cheng Wang, an independent director, was appointed as the Chairman of this motion. (II) The acting chairperson consulted with the other attending directors, and the proposal was approved without objection.

Meeting Number	Meeting Date	Key Resolutions	Resolutions and Status of Implementation
I	2024/01/15	I. Motion of the Remuneration Committee for the allocation of year-end bonus for the Company's managers in 2023.	(I) Mr. Liang-Chuan Chen, Ms. Yun-Ju Chen, Ms. Hsiu-Chu Wen, Mr. Wei-Jen Wang, and Mr. Ching-Tien Chang were related parties with conflict of interest. Therefore, they recused themselves from voting, and independent director Chih-Cheng Wang, an independent director, was appointed as the Chairman of this motion. (II) The acting chairperson consulted with the other attending directors, and the proposal was approved without objection.
II	2024/03/15	I. Ratification of the motion of the provision of endorsement/guarantee for the subsidiary, Luckicon Ready Mixed Concrete Factory Co., Ltd.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		II. Approval of the motion for the Company's 2023 business report and financial statements.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		III. Motion of the distribution of remuneration to employees and directors of the Company in 2023.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		IV. Motion to formulate the Company's 2023 earnings distribution plan.	The Chairman proposed to increase the cash dividend per share from the original NTD 0.9 to NTD 1, totaling NTD 404,738,049, which was unanimously approved by all directors attending the meeting without objections.
		V. Issuance of the 2023 "Statement of Internal Control System" of the Company.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VI. Motion of the "Performance Evaluation of the Board of Directors and Functional Committees" of the Company in 2023.	Unanimous vote by all attending directors to approve the proposal after

Meeting Number	Meeting Date	Key Resolutions	Resolutions and Status of Implementation
			the chairperson consulted with the board on the proposal.
		VII. Motion of the subsidiary Dai Shen Development Co., Ltd., intending to apply for a credit line of financing from the Company to meet business turnover needs.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		VIII. Motion of the disposal of major assets and cessation of operations of subsidiary Lucky Cement Corp., Japan.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		IX. Motion of the approval of the date of convening the 2024 General Shareholders' Meeting of the Company and related matters.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.
		X. Motion of the approval of the shareholders' motion.	Unanimous vote by all attending directors to approve the proposal after the chairperson consulted with the board on the proposal.

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

(XIII) **Summary Table for Status of Resignation or Termination of Interested Persons of the Company**

April 22, 2024

Title	Name	Starting Date	Termination Date	Reason for Resignation or Termination
President	Liang-Chuan Chen	1994.12.01	2023.12.29	Mr. Liang-Chuan Chen was originally the Chairman and concurrently the General Manager of the Company. However, in order to implement corporate governance and promote corporate sustainability, he resigned from the position of General Manager on December 29, 2023.

Note 1: Personnel related to the Company refer to Chairman, General Manager, Head of Accounting, Head of Finance, Head of Internal Audit, Head of Corporate Governance, and Head of R&D.

IV. Audit fee of independent auditors

(I) Audit fee of independent auditors

Unit: In NT$1,000

Name of Accounting Firm	Name of Accountant	Audit Period	Audit Service	Non-audit fees	Remarks
Deloitte Taiwan	Chao-Mei Chen	2023/01/01 — 2023/12/31	3,860	330	Non-audit fees are transfer pricing report fees
	Chiang-Hsun Chen				

(II) When the non-audit fees paid to the CPA, to the accounting firm of the CPA, and to any affiliate of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of audit and non-audit fees and the contents of non-audit services: None.

(III) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which

such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(IV) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by ten percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

(V) Information on change of Auditors: None.

V. Other matters to be stated

(I) If the chairman, president and managers in charge of the Company's finance and accounting operations held any positions within the Company's independent audit firm or its affiliates during the past one year: None.

(II) Personnel involved in the transparency of financial information who obtain the certificates specified by the competent authority:

1. Certified Internal Auditor (CIA) certification: 1 person in the Audit Department.

(III) Changes in and transfer and pledge of shareholding of directors, managers and principal shareholders

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

Job title (Note)	Name	2023		As of April 20 of the current year	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman (re-elected on 2022/6/30)	Shi-Yi Cement Corporation	0	0	0	0
	Representative: Liang-Chuan Chen	0	0	0	0
Director (re-elected on 2022/6/30)	Shi-Yi Cement Corporation	0	0	0	0
	Representative: Yun-Ju Chen	0	0	1,000	0
Director(re-elected on 2022/6/30)	Hsiang-Lin Chang	0	0	0	0
Director(re-elected on 2022/6/30)	Shang-Kai Cheng	0	0	0	0
Independent Director (re-elected on 2022/6/30)	Yan Chen	0	0	0	0
Independent Director (re-elected on 2022/6/30)	Chih-Cheng Wang	0	0	0	0
Independent Director (re-elected on 2022/6/30)	Yang-Wei Shao	0	0	0	0
President	Ming-Hsien Chen	0	0	0	0
Executive VP	Yun-Ju Chen	0	0	1,000	0
Department director	Chen-Ku Huang	0	0	0	0
Department director	Yao-Yin Fu*	0	0	0	0
Manager	Hsiu-Chu Wen	0	0	0	0
Manager	Wei-Jen Wang	0	0	0	0
Manager	Ching-Tien Chang	0	0	0	0

Principal shareholder	Long Cosmos Investment Limited	0	(5,700,000)	0	0

* Assistant Vice President Yao-Yin Fu resigned March 15, 2023, and the change in shareholding is counted to that day.
Note: Shareholders with more than 10% of the Company's shares should be indicated as the principal shareholders and listed separately.
Note: If the counterparty of the stock trade or pledge is a related party, please also fill out the following table.

(2) Stock trade with a related party: None.

April 20, 2024

Name (Note 1)	Reasons for transfer of equity (Note 2)	Transaction Date	Counterparty	Relationship between the transaction counterparty and the Company, directors, managerial officers and principal shareholders holding more than 10% of the shares	Number of Shares	Transaction Price
—	—	—	—	—	—	—

Note 1: List the names of directors, managerial officers and principal shareholders holding more than 10% of the shares.

Note 2: Fill in whether it is an acquisition or disposal.

(3) Stock pledge with a related party: None.

April 20, 2024

Name (Note 1)	Stock pledge reason for change (Note 2)	Date of change	Counterparty	Relationship between the transaction counterparty and the Company, directors, managerial officers and principal shareholders holding more than 10% of the shares	Number of Shares	Ownership	Pledge ratio	Pledge loan (redemption) amount
—	—	—	—	—	—	—	—	—

Note 1: List the names of directors, managerial officers and principal shareholders holding more than 10% of the shares.

Note 2: Fill in whether it is a pledge loan or redemption.

(IV) Information on top ten shareholders and their mutual relationship

Name (Note 1)	Shareholding		Shareholding of Spouse and Minor Children		Shares Held in the Name of Others		The names and relationships of the top ten shareholders who are related, spouse, or relatives within second degree of kinship to each other. (Note 3)		Remarks
	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership	Title (or name)	Relationship	
Long Cosmos Investment Limited	52,631,034	13.00%	0	0%	0	0%	–	–	–
Long Cosmos Investment Limited Responsible person: Ji Li	855	0.00%	0	0%	0	0%	–	–	–
Chang-Run Water Resources Biotechnology	30,378,008	7.51%	0	0%	0	0%	Yun-Ju Chen	Principal shareholder	–
Chang-Run Water Resources Biotechnology Representative: Jun Lin Liu	0	0%	0	0%	0	0%	–	–	–
Golden Legend Investment Limited	25,230,451	6.23%	0	0%	0	0%	Liang-Chuan Chen	Principal shareholder	–
Golden Legend Investment Limited Responsible person: Cheng-Liang Lin	69,228	0.02%	0	0%	0	0%	–	–	–
Ri Kon Construction Co., Ltd. (Note 4)	22,658,066	5.60%	0	0%	0	0%	Yong-Sheng Development Takming University of Science and Technology	First-degree relative of the responsible person	–
							Lucky Construction	Same as the responsible person	
Yong-Sheng Development Industrial	22,514,509	5.56%	0	0%	0	0%	Takming University of Science and Technology	Same as the responsible person	–
Yong-Sheng Development Industrial Responsible person: Liang-Chuan Chen	6,158,497	1.52%	0	0%	0	0%	Yun-Ju Chen	First-degree relative	–
							Lucky Construction Ri Kon Construction Co., Ltd.	The responsible persons of the two companies are first-degree relatives	
Lucky Construction (Note 4)	22,091,152	5.46%	0	0%	0	0%	Yong-Sheng Development Takming University of Science and Technology	First-degree relative of the responsible person	–
							Ri Kon Construction Co., Ltd.	Same as the responsible person	
Takming University of Science and Technology	11,794,250	2.91%	0	0%	0	0%	Yong-Sheng Development	Same as the responsible person	–
Takming University of Science and Technology Responsible person: Liang-Chuan Chen	6,158,497	1.52%	0	0%	0	0%	Yun-Ju Chen	First-degree relative	–
							Lucky Construction Ri Kon Construction Co., Ltd.	The responsible persons of the two companies are first-degree relatives	
FIC Global	8,712,294	2.15%	0	0%	0	0%	–	–	–
FIC Global Responsible Person: Hai-Ping Cheng	7,203,724	1.78%	5,307,053	1.31%	0	0%	–	–	–
Hsiang-Lin Chang	7,539,587	1.86%	0	0%	0	0%	–	–	–
Yun-Ju Chen	7,952,298	1.96%	0	0%	0	0%	Yong-Sheng Development Takming University of Science and Technology	First-degree relative of the responsible person	–

							Lucky Construction	Responsible Person	
							Ri Kon Construction Co., Ltd.		

Note 1: All the top ten shareholders shall be listed, with the legal person shareholders listing the name of the legal person and the representative separately.

Note 2: The calculation of shareholding percentage refers to the shares owned under one's name, the spouse or minor children or held in the name of others.

Note 3: The shareholders listed in the previous disclosure, including the legal persons and natural persons, shall disclose their mutual relationship in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Note 4: Yun-Ju Chen is the responsible person for Lucky Construction and Ri Kon Construction Co., Ltd. and is already the top ten principal shareholders, so will not be listed again.

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

Unit: Share, %

Investee	Ownership by the Company		Ownership by Directors, Managers, and Directly/Indirectly Owned Subsidiaries		Total Ownership	
	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership
Dai Shen Development Co., Ltd.	171,452,511	99.99%	2,245	0.00%	171,454,756	99.99%
Luckicon Ready Mixed Concrete Factory Co., Ltd.	57,340,000	100.00%	0	0.00%	57,340,000	100.00%
Luckyship Marine Agency Co., Ltd.	2,000,000	100.00%	0	0.00%	2,000,000	100.00%
Lucky Cement Corp., Japan	6,800	100.00%	0	0.00%	6,800	100.00%

Four. Financing Activities

Capital and Shares

I. Source of capital

1. Source of capital:

April 20, 2024 is the book closure date for the annual general shareholders' meeting.Unit: NTD, shares.

Year Month	Issue Price	Authorized Share Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of capital	Capital Increase by Assets Other than Cash	Others
1974.03	100	4,000,000	400,000,000	1,000,000	100,000,000	Cash capital increase		
1976.08	100	4,000,000	400,000,000	1,500,000	150,000,000	Cash capital increase		
1977.07	100	4,000,000	400,000,000	2,500,000	250,000,000	Cash capital increase		
1977.09	100	2,500,000	250,000,000	2,500,000	250,000,000	Cash capital increase		
1977.11	100	8,000,000	800,000,000	4,000,000	400,000,000	Cash capital increase		
1978.06	100	8,000,000	800,000,000	4,500,000	450,000,000	Cash capital increase		
1979.09	100	8,000,000	800,000,000	5,500,000	550,000,000	Cash capital increase		
1979.12	100	8,000,000	800,000,000	6,500,000	650,000,000	Cash capital increase		
1980.03	100	8,000,000	800,000,000	8,000,000	800,000,000	Cash capital increase		
1980.12	10	80,000,000	800,000,000	80,000,000	800,000,000	Change face value		
1985.12	10	130,000,000	1,300,000,000	130,000,000	1,300,000,000	Cash capital increase		
1986.10	10	136,000,000	1,360,000,000	136,000,000	1,360,000,000	Cash capital increase		
1990.05	10	200,000,000	2,000,000,000	200,000,000	2,000,000,000	Cash capital increase of 334,000,000, capitalization of profits of 306,000,000		
1990.08	10	215,000,000	2,150,000,000	215,000,000	2,150,000,000	Capitalization of profits		
1991.08	10	225,750,000	2,257,500,000	225,750,000	2,257,500,000	Capitalization of capital surplus		
1992.08	10	248,325,000	2,483,250,000	248,325,000	2,483,250,000	Capitalization of profits of 112,875,000, capitalization of capital surplus of 112,875,000		
1993.09	10	273,157,500	2,731,575,000	273,157,500	2,731,575,000	Capitalization of profits of 124,162,500, capitalization of capital surplus of 124,162,500		
1994.08	10	314,131,125	3,141,311,250	314,131,125	3,141,311,250	Capitalization of profits of 191,210,250, capitalization of capital surplus of 218,526,000		
1995.08	10	329,837,682	3,298,376,820	329,837,682	3,298,376,820	Capitalization of profits		
1996.08	10	346,329,567	3,463,295,670	346,329,567	3,463,295,670	Capitalization of profits		
1997.07	10	520,000,000	5,200,000,000	363,646,046	3,636,460,460	Capitalization of profits		
1999.07	10	498,646,046	4,986,460,460	385,434,809	3,854,348,090	Capitalization of profits	Note 1	
2000.09	10	498,646,046	4,986,460,460	404,738,049	4,047,380,490	Capitalization of profits	Note 2	

Note 1: 1999.07.21 (88) Tai-Tsai-Zheng (I) Document #67585.
Note 2: 2000.07.19 (89) Tai-Tsai-Zheng (I) Document #62554.

2. Type of Shares

April 20, 2024 is the book closure date for the annual general shareholders' meeting.Unit: shares.

Types of shares	Authorized Share Capital			Remarks
	Shares outstanding (Note)	Un-issued Shares	Total	
Common Stock	404,738,049 (Already publicly traded)	93,907,997	498,646,046	—

Note: Please indicate whether the stock is a publicly listed or OTC stock (if it is a restricted listing or OTC stock, it should be noted).

3. Information on the shelf registration

April 20, 2024

Types of negotiable securities	Estimated number to be issued		Number already issued		Purpose of issue and expected benefits of the issued portion	Expected issue period for the un-issued portion	Remarks
	Total number of shares	Approved amount	Number of Shares	Price			

Note: This table does not apply to the Company.

II. Shareholder structure

Base date: April 20, 2024 is the book closure date for the general shareholders' meeting
Unit: shares

Composition of Shareholders / Quantity	Government agencies	Financial institutions	Other legal entities	Individual	Foreign Institutions and Natural Persons	Total
Number of people	0	7	35	18,658	53	18,753
Number of Shares Held	0	165,003	209,566,110	183,004,472	12,002,464	404,738,049
Ownership	0%	0.04%	51.78%	45.21%	2.97%	100.00%

Note: IPO companies and emerging listed companies shall disclose the proportion of PRC investments. According o Article 3 of the Investment in Taiwan by Citizens of China, PRC investments refer to the investments made by the citizens, companies, groups, other organizations of China, or the companies they invest in a third region.

III. Diversification of shareholdings

(III) Composition of Shareholders

Base date: April 20, 2024 is the book closure date for the annual general shareholders' meeting

Shareholder Ownership	Number of Shareholders	No. of Shares Held	Ownership
1 to 999	7,623	1,157,190	0.29%
1,000 to 5,000	8,436	17,927,483	4.43%
5,001 to 10,000	1,397	11,883,213	2.94%
10,001 to 15,000	343	4,412,496	1.09%
15,001 to 20,000	287	5,462,223	1.35%
20,001 to 30,000	193	5,200,841	1.28%
30,001 to 40,000	96	3,524,713	0.87%
40,001 to 50,000	76	3,612,358	0.89%
50,001 to 100,000	137	10,159,443	2.51%
100,001 to 200,000	65	9,147,295	2.26%
200,001 to 400,000	33	9,471,778	2.34%

400,001 to 600,000	12	5,937,000	1.47%
600,001 to 800,000	5	3,529,360	0.87%
800,001 to 1,000,000	3	2,926,041	0.72%
1,000,001 or above	47	310,386,615	76.69%
Total	18,753	404,738,049	100.00%

IV. List of principal shareholders

Base date: April 20, 2024 is the book closure date for the annual general shareholders' meeting

Shares / Name of Main Shareholders	No. of Shares Held	Ownership
Long Cosmos Investment Limited	52,631,034	13.00%
Chang-Run Water Resources Biotechnology	30,378,008	7.51%
Golden Legend Investment Limited	25,230,451	6.23%
Ri Kon Construction Co., Ltd.	22,658,066	5.60%
Yong-Sheng Development Industrial	22,514,509	5.56%
Lucky Construction	22,091,152	5.46%
Takming University of Science and Technology	11,794,250	2.91%
FIC Global	8,712,294	2.15%
Yun-Ju Chen	7,952,298	1.96%
Hsiang-Lin Chang	7,539,587	1.86%

Name of shareholders who hold more than 5% of the total shares or are ranked top ten of all shareholders and the number of shares they own and the ownership percentage.

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

Item / Year			2022	112	As of March 31, 2024 of the current year (Note 8)
Market Price Per Share (Note 1)	Highest		12.15	19.00	16.10
	Lowest		9.92	10.65	15.00
	Average		11.01	14.88	15.59
Net Worth Per Share (Note 2)	Before distribution		12.12	12.53	—
	After distribution		11.32	11.53	—
Earnings per share	Weighted Average Shares (thousand		404,738	404,738	404,738
	Earnings per share (Note 3)		1.44	1.30	—
Dividends Per Share	Cash dividends (Note 9)		0.80	1.00	—
	Bonus Share	—	—	—	—
		—	—	—	—
	Dividends in Arrears (Note 4)		—	—	—
Analysis of Return on Investment	Price/Earnings Ratio (Note 5)		7.65	11.45	—
	Price/Dividends Ratio (Note 6)		13.76	14.88	—
	Cash Dividends Yield (Note 7)		7.27%	6.72%	—

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

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

Note 2: Please refer to the number of issued shares at the end of the year and fill in according to the resolution of the board or the shareholder meeting of the next year.

Note 3: If retrospective adjustment is needed due to bonus shares, the earnings per share before and after the adjustment should be listed.

Note 4: If the provisions for the issuance of equity securities stipulate that the unpaid dividends of the current year may be accumulated to be distributed in the year when there is a surplus, the dividends that have been accumulated and unpaid for the year should be separately disclosed.

Note 5: Price-Earnings ratio = Average closing price per share / Earnings per share of the year.

Note 6: Price-Dividends ratio = Average closing price per share / Cash dividends per share of the year.

Note 7: Cash dividends yield = Cash dividend per share / Average closing price per share of the year.

Note 8: As of the publication date of the annual report, there is no recent financial information on the net worth per share and earnings per share audited or reviewed by accountants, so it has not been disclosed.

Note 9: The 2022 cash dividends have been approved by the resolution of the board on March 16, 2023.

VI. Company's dividends policy and the implementation status:

1. Dividends policy:

Considering the Company's future capital needs and long-term financial planning, and to meet shareholders' expectation for cash flows, The Company's current net income after the annual final accounts, besides being used to making up for losses, has 10% set aside as the legal reserve, and also has special reserve allocated after the net deduction of other shareholders' equity incurred in the current year. The balance, together with the accumulated undistributed earnings of the previous year and the adjustment of the undistributed earnings of the current year, has 40% to 80% set aside as profit to be distribution. If it is set at 80%, and the dividends per share is still less than NT$0.1, the profit is retained and will not be distributed. The board is to determine the profit distribution proposal to be submitted to the shareholder meetings for ratification.

The percentage of profit allocation and the proportion of share and cash dividends are determined by the board based on the actual profitability and status of working capital of the year. The needs for investment capital and the extent of dilution by the earnings per share are also considered to determine whether the dividends are issued in cash or stocks. Stock dividends shall not exceed 20% of the issued share capital.

if the retained earnings transferred in the current year or the after-tax profit of the current year is insufficient to allocate the deduction of other shareholders' equity, it shall still be subject to the provisions of the law in which the profit is distributed only after allocating the transferred retained earnings or the accumulated undistributed profit from the previous year is recognized as special reserve, besides adopting the rule in the second paragraph for calculation.

2. Status of implementation:

The dividends distributed by the Company for the past five years are listed as follows:

Unit: NT$

Year	Cash dividends	As a percentage of distribution	Stock dividends	As a percentage of distribution	Total
2019	0.15	100%	0	0%	0.15
2020	0.70	100%	0	0%	0.70
2021	0.60	100%	0	0%	0.60
2022	0.80	100%	0	0%	0.80
2023	1.00	100%	0	0%	1.00

(Amount of proposed distribution for 2023)

The net profit after tax in 2023 was NTD 527,139,537. After the legal reserve, special reserve, and other additions or subtractions, the earnings available for distribution amounted to NTD 682,336,883. The Company proposes to distribute cash dividend of NTD 1.00 per share, with a total amount of NTD 404,738,049.

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

VIII. Remuneration for employees, directors and supervisors:

(I) **The percentages or ranges with respect to employees' and directors' remuneration specified in the Articles of Incorporation:**

Policy on the employee and director remuneration as specified in the Articles of Incorporation: If the Company is profitable in the fiscal year, it shall allocate 3% of the profit as the remuneration of employees in the form of stocks or cash as resolved by the board. Employees of subsidiaries are also entitled to receive remuneration. Up to 5% (inclusive) of the aforementioned profit may be distributed as director remuneration at the discretion of the board of directors.

(II) **The basis for estimating the amount of remuneration distributed to employees and directors in the current period, the basis for calculating the number of shares for distribution of stock-based remuneration, and the accounting treatment if the actual distributed amount is different from the estimated amount:**

In terms of the percentage distributed as the employee and director remuneration as specified in the Articles of Incorporation, if the Company is profitable in the fiscal year, it shall allocate 3% of the profit as the remuneration of employees in the form of stocks or cash as resolved by the board. Employees of subsidiaries are also entitled to receive remuneration. Up to 5% (inclusive) of the aforementioned profit may be distributed as director remuneration at the discretion of the board of directors. If the actual distributed amount is different from the estimated amount, it is regarded as a change in accounting estimates to be included in income of the year of distribution.

(III) Information on the proposed distribution of remuneration to employees and directors approved by the board:

1、In accordance with Article 30 of the Company's Articles of Incorporation this year (2024), the Board of Directors resolved to distribute NTD 20,059,690 as remuneration to employees for 2023, and it was recommended by the Remuneration Committee to allocate five percent of the earnings from 2023. The distribution of directors' remuneration amounts to NTD 33,432,814. All these amounts will be distributed in cash.

2、The percentage of profit sharing from earnings for employees distributed in stock to the total amount of net profit after tax and profit sharing from earnings for employees: Not applicable.

(IV) **Distribution of profit sharing from earnings for employees for employees and directors in the previous year:**

On March 16, 2023, the Board of Directors approved the distribution of directors' remuneration of NTD 35,873,918 and employees' remuneration of NTD 21,524,351, which was reported at the annual general shareholders' meeting on June 30, 2023. The actual distribution matched the amounts estimated in the accounts, with no differences, for both directors' and employees' remuneration.

IX. Stock buybacks of the Company: None.

X. Issue of corporate bonds and preferred stocks: None.

XI. Global depository receipts, employee stock options and new share issuance in connection with mergers and acquisitions: None.

XII. Financing plans and implementation: The Company has not issued or privately placed securities in the last three years.

Five. Overview of Operations

I. Description of Business

(I) Scope of business

1. Core business:
   (1) C901050 Cement and Concrete Products Manufacturing.
   (2) C901990 Other Non-Metallic Mineral Products Manufacturing.
   (3) B202010 Mining of Non-metallic.
   (4) J101030 Waste Disposing.
   (5) J101040 Waste Collecting.
   (6) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
2. Core businesses and their proportion of the overall business

Item	Product proportion in 2023
Cement and clinker	42.40%
Cement Products	35.55%
Others	22.05%

3. Current products and new products development

(1) Current products:

①Portland Type I cement

②Portland Type II cement

③Blast furnace slag

④Cement products (ready-mixed concrete)

⑤Stone materials (limestone, dimension stones and sand and gravel)

(2) New product development plan: limestone cement

(II) Industry overview

1. Status and development of the industry

The cement industry is considered a matured industry. However, there is still a certain demand under the government's planned economic policies for domestic needs and private construction projects.

The cement industry is a part of the infrastructure for civil and national construction, as all residential buildings, public works, and national defense facilities use cement as the basic building materials. Cement is bulky, has high transportation costs, and is not durable for storage. It is mainly sold in domestic markets, and considered a domestic demand-oriented industry, whose growth and decline are driven by the prosperity of the construction industry and public works. In the second half of the year, the international coal prices have remained high, which also has kept the cement production price high, so the market price has been adjusted accordingly.

The market condition of cement products downstream of the cement industry is highly related to the cement market, and the price of sand and gravel, which accounts for the highest proportion of production costs, is deeply affected by the volume of sand and gravel imported from China, hence affecting the final selling price of cement products.

The Company's production plant is located in Dong-Ao, Yilan, and the source of limestone is located in Heren of Hualien. In recent years, due to the constraints of the environment and resources, the increase of local taxes, and the impact of the related costs to be paid due to stricter mining regulations, the acquisition cost of limestone raw materials has been greatly increased.

Looking forward to 2024, the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan expects a higher economic growth rate than that in 2023. Despite the expectation of inflation and the housing policy, the expenditure on public construction is still high, which should be able to support the market price. It is expected that the domestic cement and ready-mixed concrete market can still maintain the stable momentum this year.

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

The cement industry includes soil and stone mining, metal mining and iron and iron and steel metallurgy industries that provide limestone, clay, silica sand, iron slag, gypsum, etc. in the upstream, power supply, railway and road transportation, and fuel gas supply during the manufacturing process, as well as downstream industries that directly need the supply of cement products, such as construction industry, concrete industry and cement product industry (for cement bricks, asbestos boards, cement culverts, etc.).

The Company adopts the vertical integration strategy by combining subsidiaries such as Dai Shen Development, Luckicon Ready Mixed Concrete Factory and Luckyship Marine Agency.

3. Development trends and competition of products

There has not been an equivalent product that can completely replace the use of cement. However, in the ready-mixed concrete industry, blast furnace slag is added to reduce the manufacturing cost. In response to the market needs, we also manufacture ballast furnace slag to make up for the reduced sales of cement.

Cement and blast furnace slag products are heavy and supplied in large quantities, and are considered part of the domestic industry. We have continued to improve the production efficiency, reduce cost and maintain stable quality. We have also improved the logistics conditions and product coordination capabilities to be able to quickly supply customers and increase our overall competitive advantage.

(III) Overview of technology and R&D

1. The Company had no technology and R&D expenses incurred in 2023.
2. The Company is developing Portland limestone cement to achieve the national long-term GHG reduction goal. This gradual replacement of Portland Type I cement with limestone cement will reduce the carbon emissions generated during cement production.

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

1. Short-term business development plan:

   Taiwan has entered the phase of a developed country, and the it is not easy for the domestic cement industry to grow significantly. We will continue to optimize logistics conditions, improve product coordination capabilities to meet customer needs. The construction of our ready-mix plants can maintain market share, and our continuous investment in land development projects through the subsidiary Dai Shen will help improve our return on investment.
2. Long-term business development plan:

   (1) For sustainable operations, the Company actively invests in capital expenditures to improve equipment and enhance production efficiency, thereby reducing costs. Additionally, we are leveraging the abundant and high-quality limestone resources at the Heren Mine to develop related products such as sand and gravel, aiming to increase revenue and profit.

   (2) By leveraging the three high characteristics of the cement kilns process, namely “high temperature, long residence time, and high turbulence”, we are integrating waste treatment operations to secure high-margin orders. Additionally, we are increasing the use of alternative fuels and raw materials derived from recycled resources, thus advancing the development of circular economy value chain to increase profitability.

II. Markets, production, and marketing

(I) Market analysis

1. Major markets of the Company's products

Region	Proportion of major product sales regions in 2023
Northern	67.83%
Central	21.06%
Hualien and Taitung	9.36%
Others	1.75%

The Company has two cement plants, located in Dong-Ao, Yilan and Puxin, Taoyuan, respectively, three ready-mix plants, and a mine, producing cement, blast furnace slag, cement products and limestone stone materials under the Lucky Cement brand. There are many delivery centers and business offices around Taiwan. Domestic sales are mainly for military, public and civilian customers in the northern, central, southern and Hualien-Taitung regions of Taiwan. Our sales volume ranks the third place among the domestic cement manufacturers, only after Taiwan Cement and Asia Cement, and ready-mixed concrete cement products mainly supply the northern region.

2. Market share

The Company's cement products are mainly for the domestic market, with a market share of about 6% for cement products and about 1-2% for by-products.

3. Future supply, demand and growth of the market

The domestic cement market is mature and stable, and the volume of imported cement has increased year by year due to the lower cost to capture the domestic market. However, the demand in the private construction industry is still stable, and the government's continuing implementation of strategic public construction works helps balancing the supply-demand condition of cement.

4. Favorable and unfavorable factors affecting the future outlook

Favorable and unfavorable factors affecting the future outlook of the cement industry are as follows:

(1). Favorable factors

Taiwan has entered the phase of a developed country, and it is not easy to significant grow demand. However, in the long run, the continuing repatriation of Taiwanese businesses has stabilized the private construction operators. The government's continuous efforts in public construction works and urban renewal projects are expected to facilitate the stable and continuous development of the cement industry. We also have ready-mix concrete plants and Heren Mine, plants related to the value chain of the cement industry, which will contribute to the sustainable development of the Company in the cement industry.

(2). Unfavorable factors:

- Cost advantage of imported cement continues to seize the market.
- Restrictions on the domestic CO_2 emissions and rising environmental protection awareness, making it difficult for the Company to expand.
- Excise tax, air pollution fee and local tax on raw materials have a negative impact on the cement industry.

(II) Main uses and production processes of major products

1. Main uses

(1). Product: Portland Type I cement
Purpose: For general civil and construction projects.

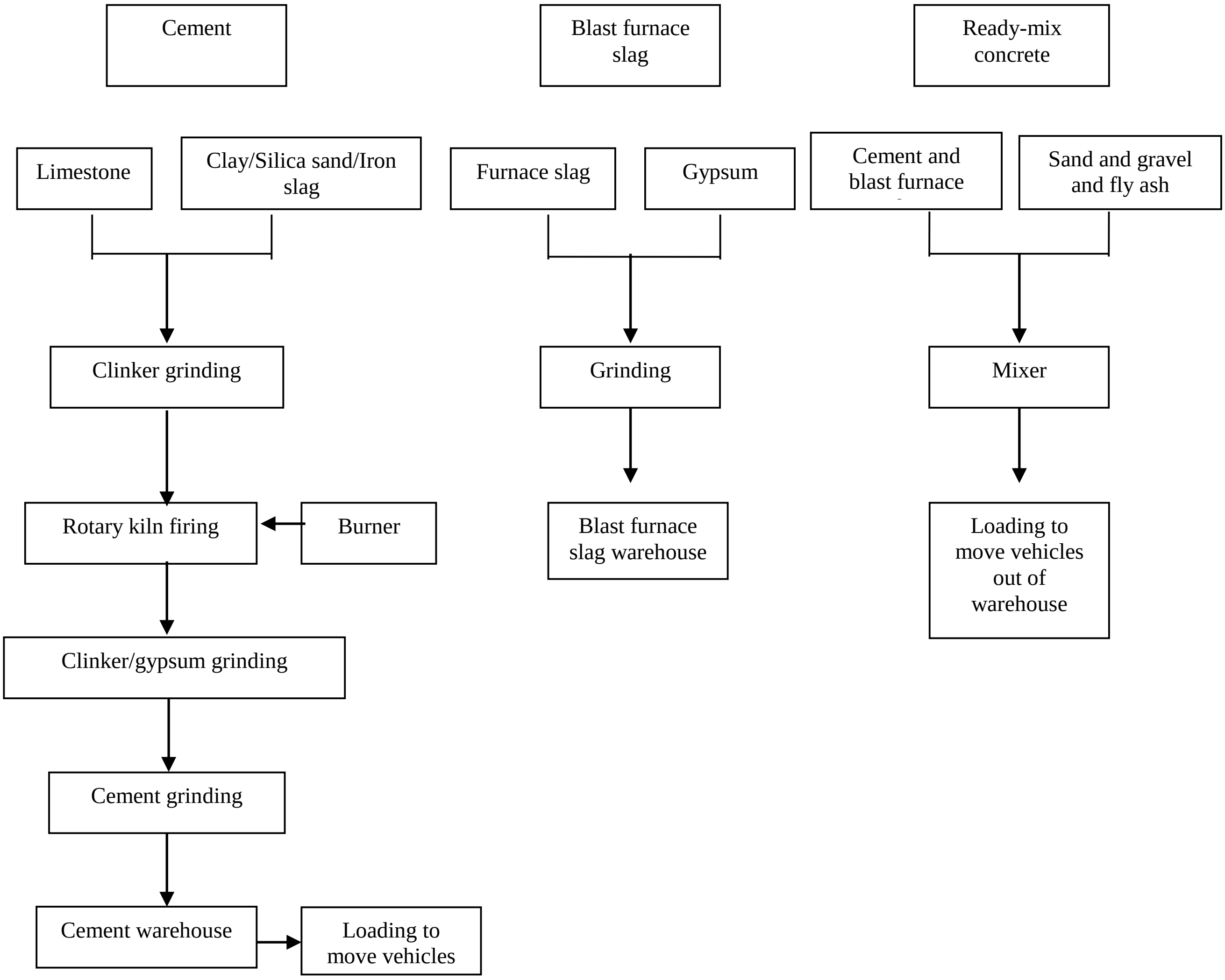
(2). Product: Portland Type II cement
Purpose: Underground infrastructure projects such as sewers, underpasses, tunnels, underground MRT, etc.
Mass concrete projects: Bridges, dams, reservoirs, etc.
Projects vulnerable to sea water and sea wind erosion: Docks, breakwaters, caissons, harbor projects, etc.

(3). Product: Blast furnace slag
Purpose: For general civil and construction projects, used by ready-mix concrete industry operators.

(4). Product: Cement products (ready-mixed concrete)
Purpose: Used in various construction projects.

(5). Product: Stone materials (limestone, dimension stones and sand and gravel)
Purpose: Limestone is the main raw materials used in the cement industry; Product: dimension stone is provided to steel mills and petrochemical plants; and sand and gravel is one of the main raw materials used by ready-mix concrete industry operators.

2. Production process



(III) Supply status of main raw materials

Raw materials	Status	Remarks
Limestone	We mine a small portion ourselves, and the major portion	—
Clay	Sourced domestically	—
Iron slag	Sourced domestically, and some are imported from	—
Silica sand	Sourced domestically	—
Gypsum	Sourced domestically	—
Coal dust	Imported from Australia and Russia	—
Slag	Imported from Japan	—
Fly ash	Sourced domestically	—
Sand and gravel	Some made in-house, some sourced domestically	—

For main raw materials, limestone, sand and gravel are either made in-house or sourced domestically, and others are sourced from at least two suppliers to stabilize the supply.

(IV) List of clients who account more than 10% of the purchase (sales) the past two years

1. Information on major suppliers in the most recent two years Unit: NTD million

	2022				2023 (Note 1)				2024 up to Q1 (Note 3)			
Item	Title (Note 2)	Amount	% of the net purchase of the year	Relationship	Title (Note 2)	Amount	% of the net purchase of the year	Relationship	Title (Note 2)	Amount	Percentage of the net purchase as of the end of Q1 in the year (%)	Relationship
1	Company N	339	17.1	Raw materials suppliers	Company N	465	19.6	Raw materials suppliers				
2	Company D	265	13.3	Raw materials suppliers	Company M	336	14.1	Raw materials suppliers				
3					Company D	306	12.9	Raw materials suppliers				
4												
5	Others	1,384	69.6		Others	1,271	53.4					
	Net purchase	1,988	100.0		Net purchase	2,378	100.0					

Note 1: Reasons for changes: None.

Note 2: It is stipulated in the procurement contract that the name of the supplier shall not be disclosed.

Note 3: As of the publication date of the annual report, there is no recent financial information audited or reviewed by accountants, so it has not been disclosed.

2. Information on the main customers the past two years Unit: NT$ million

	2022				2023 (Note 1)				2024 up to Q1 (Note 3)			
Item	Title (Note 2)	Amount	% of the net sales of the year	Relationship	Title (Note 2)	Amount	% of the net sales of the year	Relationship	Title (Note 2)	Amount	Percentage of the net sales as of the end of Q1 in the year (%)	Relationship
1												
2												
3												
4												
5	Others	4,149	100.0		Others	5,095	100.0					
	Net purchase	4,149	100.0		Net purchase	5,095	100.0					

Note 1: Reason of change: None.

Note 2: The sales contract stipulates that the name of the customer shall not be disclosed.

Note 3: As of the publication date of the annual report, there is no recent financial information audited or reviewed by accountants, so it has not been disclosed.

(v) Production volume the most recent two years:

Cement and blast furnace slagUnit: thousand tonnes
Cement productsUnit: thousand cubic meters
Unit: NTD thousands

Year / Product volume and value / Main products (or by department)	2022			2023		
	Production	Volume	Value	Production capacity	Volume	Value
Cement and blast furnace slag	2,000	692	1,339,056	2,000	772	1,553,544
Cement Products	-	510	981,801	-	609	1,396,190
Others	-	2,109	280,815	-	2,488	470,393

Note 1: Production capacity refers to the amount that the company can produce under normal operation using existing production equipment after taking into account factors such as necessary shutdowns and holidays.

Note 2: If the production of each product can be substituted, the capacity may be calculated on a consolidated basis, and an explanation should be attached.

(VI) Sales volume the most recent two years

Cement and blast furnace slagUnit: thousand tonnes
Cement productsUnit: thousand cubic meters
Unit: NT$1,000

Year / Sales Volume and Value / Main products (or by department)	2022				2023			
	Domestic		Overseas		Domestic		Overseas	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cement and blast furnace slag	685	1,844,769	—	—	742	2,168,769	—	—
Cement Products	553	1,378,529	—	—	683	1,811,265	—	—
Stone Materials	1,063	498,717	—	—	1,250	606,129	—	—
Others	—	427,238	—	—	—	508,580	—	—
Total	—	4,149,253	—	—	—	5,094,743	—	—

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

April 20, 2024

Year		2022	2023	As of April 20, 2024 of the current year
Number of Employees	Factory direct labor	232	223	226
	Factory indirect labor	99	99	101
	Company sales administration personnel	128	126	128
	Total	459	448	455
Average age		49.62	50.99	50.76
Average Service Tenure		12.69	11.86	11.73
Distribution of Educational Background	Doctoral degree	0.65	0.67	0.66
	Master’s degree	2.83	2.90	2.86
	College	36.61	37.50	37.58
	Senior high School	39.43	38.62	38.68
	Below senior high school	20.48	20.31	20.22

IV. Environmental protection expenditure

(I) Amount of loss incurred due to pollution as of the most recent year and the date of publication of the annual report:

	2022	2023	As of April 20, 2024
Pollution status (type, severity)	1. Gaseous nitrogen oxides exceed the air pollutant emissions standard of the cement industry. 2. Inconsistent with the registration of the permit for the discharge of wastewater to surface water bodies. 3. Professional technical personnel did not report the application for change of waste removal permit in advance before resignation. 4. Failure to change the industrial waste disposal plan in accordance with regulations. 5. Failure to record inspection operations of air pollution discharge within the specified period.	1. The concentration of odor pollutants in the discharge pipeline exceeds the discharge standard. 2. The project for continuous automatic monitoring facilities in the exhaust pipelines of the cement rotary kiln cooler was found to be in violation of the opacity standard for particulate matter. (Note)	1. The cement rotary kiln exhaust pipelines did not undergo zero-point offset and full-scale offset testing as required by regulations.
Compensated parties or the	Department of	Department of	Department of
Compensation amount or the status of punishment	NT$440 thousand	NTD 2,670 thousand	NTD 800 thousand
Other losses	None	None	None

Note: An appeal has been filed for this case, and the original penalty was revoked by the Ministry of Environment's Letter Huan-Bu-Fa-Zi No. 1120109049, dated on March 26, 2024. After the revocation, the amount of penalty in 2023 will be reduced to NTD 480 thousand.

(II) Countermeasures:

1. In order to operate the sewage treatment efficiently, we have improved the equipment, added new facilities to divert the sewage and added a layer of sediment, so that the discharged water can meet the standard of laws and regulations.
2. In order to keep the machinery in the factories in normal condition at all time and reduce the cost of replacement for damage, we have formulated the "Measures for Machinery Repair and Maintenance", and the maintenance work is carried out with specific procedures and is inspected.

(III) Improvement plan:

1. Reinforce the maintenance and replacement of mechanical parts to reduce sudden failures.
2. Strengthen professional training and management of personnel to reduce human negligence, and improve emergency response capabilities.
3. Stop processing the sludge that has a strong smell and add a sludge treatment system to reduce the smell.
4. The on-site unit is required to inform the Safety and Environmental Protection Section to handle the relevant changes with the operating permit or apply for an installation permit when adding equipment.

(IV) The Company's future environmental protection priorities:

1. Improve equipment operation and maintenance to ensure the normal operation of environmental protection equipment and spare no efforts in reducing industrial waste to prevent the generation of pollutants.

2. Improve the research on waste recycling technology.

3. Reinforce the cleaning and greening of factory environment.

4. Install sewage diversion systems to improve the pollution of discharged water.

5. Strengthen management to ensure that operations are carried out in accordance with the quality assurance plan, and rigorously apply for and update various licenses.

6. The 2023 environmental protection expenditure was NT$35,028 thousand.

V. Labor relations

(I) Employee welfare policy:

1. Employee welfare measures:

（1） The Company has set up an employee welfare committee, which allocates welfare funds in accordance with the law and organizes various welfare activities. The allocation of employee welfare fund for 2023 was NTD 8,202 thousand.

（2） Issue gold celebratory medals and certificates to recognize outstanding employees.

（3） Issue gift money for three major national holidays and education subsidies.

（4） Continue to improve the condition of job sites.

（5） Purchase group insurance policy for employees and arrange employee health check. The related expenses in 2023 were NTD 1,712 thousand.

2. Status of implementation of continuing education and training systems:

The Company has established employee training measures, which stipulate the training of employees and the methods. The Company's on-the-job training includes organizing various workshops, training courses, and commissioning training in cooperation with other training institutions or schools, or organizing short-term work drills based on work needs. The training expenses for various trainings this year were NTD 178 thousand.

3. Retirement system:

The Labor Pension Act came into effect on July 1, 2005. Employees who were hired before June 30 and were still employed on July 1 may choose to continue their eligibility for the pensions under the "Labor Standards Act" and retain the service tenure under the conditions for which the eligibility applies. New employees who are hired after July 1, 2005 are only eligible to the pension system under the Labor Pension Act.

The Labor Pension Act is applicable to the Company's pension system. Since July 1, 1994, it confirms the distribution and retirement plans and allocates 6% of an employee's monthly salary to a personal account at Bureau of Labor Insurance.

The Company has established a retirement plan for the employees based on the Labor Standards Act, which is considered a defined-benefit pension plan. The payment of employee pension is calculated based on the length of service and the average salary of the six months before retirement. We allocate the pension reserve every month according to regulations, and contribute it to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

In 2023, 9 people retired with a total pension payment of NTD 16,131 thousand.

(II) Measures to protect the rights and interests of employees:

A harmonious employee-employer relationship is the cornerstone of enterprise development. The Company's employee-employer relationship has been about harmony, stability and shared prosperity over the years. We are committed to improving employee treatment, welfare and work environment and maintaining the employee-employer communications, and understand employees' difficulties and needs through seminars with the enterprise union. Feedback on issues is prioritized by managers at all levels who are ready to offer assistance.

(III) Status of labor disputes:

1. No labor disputes occurred in the most recent year and as of the publication date of the annual report.
2. Estimated amount of possible losses at present and in the future: None.

(IV) Fulfillment of social responsibilities:

1. Employee-employer meetings are regularly held to coordinate the relationship, promote collaboration and improve work efficiency.
2. Grievances filed by employees are handled by the Human Resources Department which is also responsible for handling cases involving employees who refuse disciplinary actions.
3. We have formulated sexual harassment prevention guidelines (which have been reported to the county government).
4. Employees are encouraged to participate in external education and training related to sexual assault and harassment prevention. Participants are given a paid leave registration and subsidies, and the relevant information is publicly disclosed in the workplace.

Complaint hotline: 03-9986110, extension #103 or #109
02-25092188, extension #2517
Complaint dedicated fax: 03-9986066
02-25093033
Email for filing grievances: yu@luckygrp.com.tw
kevinlee@luckygrp.com.tw

5. We carry out safety and health works in accordance with relevant laws and regulations on labor safety and health.
6. Employees should abide by the relevant regulations on safety and health and obey the guidance of safety and health management personnel.
7. Implementation of labor safety and health:
   a. Every on-site worker shall be provided with safety helmets and safety shoes, and shall have proper protective equipment that meets the needs of the nature of their work, such as fireproof clothing, fireproof shoes, dust masks, earplugs, etc., to ensure the health and safety of employees in workplaces with high temperature, dust and noise.
   b. We have established an occupational safety and health policy which requires all employees to abide by the laws and regulations for occupational safety and health, and provided necessary education and training for employees, including education and training for new hires, regular education and training for in-service personnel, disaster prevention and fire fighting, emergency rescue, escape and other drills. In every job site, bulletin boards are set up to remind employees of the potential hazards, and tell them how to prevent disasters and what kind of protective equipment to use, so as take correct safety protection measures in advance.
   c. In order to protect the work safety of employees and prevent occupational safety accidents, we have strengthened equipment maintenance to ensure operation safety, and also invested in improvements around the equipment, such as installing safety nets, stairs and railings, and required contractors to comply with the our management measures and relevant safety and health regulations when performing

their jobs. The safety and security task force implements dynamic audit and inspection, so that employees and contractors can comply with safety regulations.

d. The total expenditure related to labor safety in 2023 was approximately NTD 2,396 thousand.

8. In order to build a comprehensive safety and health management system, we have hired a consulting company to conduct the ISO 45001:2018 Occupational safety and health management systems guidance in December 2018. In July 2019, the TÜ V Nord was commissioned to conduct the system certification. We qualified for the ISO 45001:2018 certification on August 26, 2019, and the effective period of the certification is from August 26, 2019 to August 25, 2022. We obtained a renewal of the certification after the expiration, and the new certificate is valid from August 26, 2022 to August 25, 2025.

(V) Measures to enhance employee benefits or rights compared to the previous year: None

VI. Cybersecurity management

(I) Although we have not yet established an information security management committee, the Information Management Center is authorized to formulate security policies and manage and review enterprise information security operations. In accordance with the announcement made by the Financial Supervisory Commission on December 28, 2021, we have appointed one head of information security (a concurrent position served by the head of the Center) and one information security specialist (a concurrent position served by the network administrator). The head of information security serves as the convener of the information security task force, with members being the supervisors of each segment, to coordinate various information security tasks and regularly report to the board on the results of information security implementation.

(II) The information security governance report and results were reported by the Board of Directors on December 28, 2023.

(III) In order to prevent the occurrence of information security incidents, we conduct security inspections, internal and external audits and information security drills every year, and strengthen employees' awareness of information security crisis and the capabilities of information security personnel to respond to incidents, hoping to prevent the incidents in advance and effectively detect and block out threats immediately.

(IV) The following are the assessments and countermeasures for various information security risks:

Scope of risk management	Risk items	Risk assessment (impact)	Response measures
Information security risks	1. Access control 2. Access control 3. External threats 4. System availability	1. Management measures for personnel account, authorization management, and system operation behavior 2. Control measures for personnel access to internal and external systems and data transmission channels. 3. Potential vulnerability in internal systems, hacked channels and protective measures. 4. System availability status and response measures in case of service interruption.	1. Effectively manage user accounts to ensure that only authorized users can access the corresponding information systems and data. This includes the regular review and updating of user permissions. 2. Identity verification and authorization, regular account reviews, application firewall to restrict communication, protecting connections between internal and external networks, email server with filtering mechanism to reduce the chances of users falling victim to social engineering attacks. 3. Implementing mandatory complex password requirements, enforcing regular password changes to reduce the risk of password compromise, disabling unauthorized USB devices to prevent the spread of malicious software through portable media, conducting vulnerability scans of information devices to timely discover and patch system vulnerabilities, and conducting social engineering drills to strengthen user awareness and vigilance against social engineering attacks. 4. Implementing system/network availability monitoring and notification mechanisms, contingency measures for service interruptions, data backup and redundancy measures, onsite/offsite backup mechanisms, and conducting regular disaster recovery drills.

VII. Important contracts

April 20, 2024

Nature of Contract	Counterparty	Contract Period	Important Information	Restrictions
Loan contract	Taiwan Cooperative Bank, Ximen branch	2022/01/12-2027/01/12	Mortgage loan for intermediate-term land and buildings	—
Loan contract	Business Department of O-Bank	2022/12/28-2027/12/28	Intermediate-term loans backed by pledged land	—
Loan contract	Sunny Bank, Banqiao branch	2023/03/30-2026/03/30	Intermediate-term loans backed by pledged land	—
Loan contract	Bank of Taiwan, Zhongshan branch	2023/04/17-2027/04/17	Mortgage loan for intermediate-term land and buildings	—
Construction contract	Sheng-Li Construction Co., Ltd.	Obtain a use permit within 450 calendar days from the date of construction commencement approved by the competent authority (Contract date is 2022/09/20)	Luckicon Ready Mixed Concrete Factory Co., Ltd. has new civil, building and water conservation engineering for the new projects in Shulin plant.	The conditions for the cooperation during the construction period are filing of the consent of use permit for water conservation, the availability of temporary access roads for construction and the overall excavation.
Full construction contract	Sincere Giant Industrial Co., Ltd.	2023/10/20 to 2024/10/20	Ready-mixed equipment manufacturing and assembly	
Construction contract	Chi Wang Construction Co., Ltd.	255 calendar days from June 26, 2023	Project for civil and construction works for the new construction project of the Luzhu Plant of Luckicon Ready Mixed Concrete Factory Co., Ltd.	
Construction contract	Shyh Jia Enterprise	2023/05/01 to 2026/12/31	Level 3 Inspection for Self-provided Truck	

Six. Overview of Financial Status

I. Condensed balance sheets and income statement for the past five fiscal years

(I) Condensed balance sheets and statements of comprehensive income

Condensed Consolidated Balance Sheet

Unit: in NT$1,000

Item \ Year		Financial information for the past five years (Note 1) 2019	2020	2021	2022	2023	Financial information for the current year as of March 31, 2024 (Note 3)
Current Assets		5,087,148	5,259,278	5,118,007	5,919,810	5,955,830	
Property, plant and equipment (Note 2)		1,711,806	2,223,887	2,302,034	3,023,515	3,415,001	
Intangible assets		—	—	—	—	—	
Other Assets		529,923	544,142	621,669	718,546	599,042	
Total assets		7,328,877	8,027,307	8,041,710	9,661,871	9,969,873	
Current liabilities	Before distribution	1,617,131	2,151,262	3,032,387	3,488,531	3,297,728	
	After distribution	1,677,842	2,434,579	3,275,230	3,812,321	(Not yet distributed)	
Non-current Liabilities		1,390,809	1,219,126	363,749	1,267,551	1,601,320	
Total Liabilities	Before distribution	3,007,940	3,370,388	3,396,136	4,756,082	4,899,048	
	After distribution	3,068,651	3,653,705	3,638,979	5,079,872	(Not yet distributed)	
Equity attributable to shareholders of the parent company		4,320,860	4,656,845	4,645,509	4,905,719	5,070,758	
Capital stock		4,047,380	4,047,380	4,047,380	4,047,380	4,047,380	
Capital surplus		8	9	18	18	18	
Retained earnings	Before distribution	269,466	605,001	598,884	949,376	1,060,033	
	After distribution	208,755	321,684	356,041	625,586	(Not yet distributed)	
Other equity interests		4,006	4,455	(773)	(91,055)	(36,673)	
Treasury stock		—	—	—	—	—	
Non-controlling interests		77	74	65	70	67	
Total equity	Before distribution	4,320,937	4,656,919	4,645,574	4,905,789	5,070,825	
	After distribution	4,260,226	4,373,602	4,402,731	4,581,999	(Not yet distributed)	

Note 1: The financial statements for 2019 to 2023 have been audited by CPAs.
Note 2: No revaluation of assets was conducted in 2023.
Note 3: As of the publication date of the annual report, there is no recent financial information audited or reviewed by accountants, so it has not been disclosed.
Note 4: The "After distribution" figures are filled in according to the resolution of the board or the shareholder meeting of the next year.

Condensed Consolidated Statement of Comprehensive Income

Unit: in NT$1,000

Item \ Year	Financial information for the past five years (Note 1)					Financial information for the current year as of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating revenue	3,731,696	4,530,172	3,769,022	4,149,253	5,094,743	
Gross profit	298,881	716,675	560,026	990,780	882,912	
Operating income	77,882	447,475	338,569	711,429	612,361	
Non-operating income and expenses	(23,968)	(3,067)	2,743	(23,407)	47,389	
Profit before income tax	53,914	444,408	341,312	688,022	659,750	
Net income this period from continuing operations	45,904	392,269	262,205	581,221	527,136	
Loss from discontinued operations	—	—	—	—	—	
Profit (loss) for the year	45,904	392,269	262,205	581,221	527,136	
Other comprehensive income for the year (Net income after taxes)	48,035	4,426	9,767	(78,163)	(38,310)	
Total comprehensive income for the year	93,939	396,695	271,972	503,058	488,826	
Net income attributable to shareholders of the parent company	45,905	392,269	262,205	581,216	527,139	
Net income attributable to non-controlling interests	(1)	—	—	5	(3)	
Total comprehensive income attributable to shareholders of the parent entity	93,940	396,695	271,972	503,053	488,829	
Total comprehensive income attributable to non-controlling interests	(1)	—	—	5	(3)	
Earnings per share (Note 3)	0.11	0.97	0.65	1.44	1.30	

Note 1: The financial statements for 2019 to 2023 have been audited by CPAs.

Note 2: As of the publication date of the annual report, there is no recent financial information audited or reviewed by accountants, so it has not been disclosed.

Note 3: Calculated based on the number of shares after retrospective adjustment.

Condensed Standalone Balance Sheet

Unit: in NT$1,000

Item \ Year		Financial information for the past five years (Note 1) 2019	2020	2021	2022	2023	Financial information for the year up to March 31, 2024 (Note 3)
Current Assets		1,579,785	1,574,530	1,410,553	2,025,461	1,823,191	
Property, plant and equipment (Note 2)		1,628,604	1,586,499	1,695,089	1,734,176	1,927,229	
Investment under equity method		2,649,638	2,980,403	3,257,158	3,459,876	3,503,137	
Other Assets		607,532	600,625	639,178	567,994	456,071	
Total assets		6,465,559	6,742,057	7,001,978	7,787,507	7,709,628	
Current liabilities	Before distribution	1,319,757	1,428,277	2,085,852	2,148,100	1,819,631	
	After distribution	1,380,468	1,711,593	2,328,695	2,471,890	(Not yet distributed)	
Non-current Liabilities		824,942	656,935	270,617	733,688	819,239	
Total Liabilities	Before distribution	2,144,699	2,085,212	2,356,469	2,881,788	2,638,870	
	After distribution	2,205,410	2,368,529	2,599,312	3,205,578	(Not yet distributed)	
Equity attributable to shareholders of the parent company		4,320,860	4,656,845	4,645,509	4,905,719	5,070,758	
Capital stock		4,047,380	4,047,380	4,047,380	4,047,380	4,047,380	
Capital surplus		8	8	8	18	18	
Retained earnings	Before distribution	269,466	605,001	598,884	949,376	1,060,033	
	After distribution	208,755	321,684	356,041	625,586	(Not yet distributed)	
Other equity interests		4,006	4,455	(773)	(91,055)	(36,673)	
Treasury stock		—	—	—	—	—	
Non-controlling interests		—	—	—	—	—	
Total equity	Before distribution	4,320,860	4,656,845	4,645,509	4,905,719	5,070,758	
	After distribution	4,260,149	4,373,528	4,402,666	4,581,929	(Not yet distributed)	

Note 1: The financial statements for 2019 to 2023 have been audited by CPAs.
Note 2: No revaluation of assets was conducted in 2023.
Note 3: As of the publication date of the annual report, there is no recent financial information audited or reviewed by accountants, so it has not been disclosed.
Note 4: The "After distribution" figures are filled in according to the resolution of the board or the shareholder meeting of the next year.

Condensed Standalone Statement of Comprehensive Income

Unit: in NT$1,000

Item \ Year	Financial information for the past five years (Note 1)					Financial information for the year up to March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating revenue	2,931,247	3,282,149	2,750,029	3,113,737	3,749,925	
Gross profit	244,861	524,148	399,395	597,933	719,743	
Operating income	72,054	314,697	213,434	361,344	486,265	
Non-operating income and expenses	(24,771)	101,848	92,378	298,737	128,898	
Profit before income tax	47,283	416,545	305,812	660,081	615,163	
Net income this period from continuing operations	45,905	392,269	262,205	581,216	527,139	
Loss from discontinued operations	—	—	—	—	—	
Profit (loss) for the year	45,905	392,269	262,205	581,216	527,139	
Other comprehensive income for the year (Net income after taxes)	48,035	4,426	9,767	(78,163)	(38,310)	
Total comprehensive income for the year	93,940	396,695	271,972	503,053	488,829	
Net income attributable to shareholders of the parent company	45,905	392,269	271,972	581,216	527,139	
Net income attributable to non-controlling interests	—	—	—	—	—	
Total comprehensive income attributable to shareholders of the parent entity	93,940	396,695	271,972	503,053	488,829	
Total comprehensive income attributable to non-controlling interests	—	—	—	—	—	
Earnings per share (Note 3)	0.11	0.97	0.65	1.44	1.30	

Note 1: The financial statements for 2019 to 2023 have been audited by CPAs.

Note 2: As of the publication date of the annual report, there is no recent financial information audited or reviewed by accountants, so it has not been disclosed.

Note 3: Calculated based on the number of shares after retrospective adjustment.

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

Year	CPAs		Opinions
2019	Alice Huang	Yung-Fu Liu	An unqualified opinion
2020 (Note 1)	Alice Huang	Chao-Mei Chen	An unqualified opinion
2021 (Note 2)	Chao-Mei Chen	Chiang-Hsun Chen	An unqualified opinion
2022	Chao-Mei Chen	Chiang-Hsun Chen	An unqualified opinion
2023	Chao-Mei Chen	Chiang-Hsun Chen	An unqualified opinion

Note 1: Internal job rotation of the CPA firm in 2020.

Note 2: Internal job rotation of the CPA firm in 2021.

II. Financial analysis for the past five years

(1-1) Consolidated financial analysis

Items to be analyzed (Note 3) \ Year (Note 1)		Financial analysis for the last five years					Current year up to March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Capital structure (%)	Debt to asset ratio	41.04	41.99	42.23	49.23	49.14	
	Long-term fund to property, plant and equipment ratio	333.67	264.22	217.60	204.18	195.38	
Solvency %	Current ratio	314.58	244.47	168.78	169.69	180.60	
	Quick ratio	86.96	72.19	39.84	45.15	50.51	
	Times interest earned	2.36	14.91	11.64	16.62	12.57	
Operating performance	Average collection turnover (times)	4.94	4.56	4.19	4.79	4.63	
	Days sales outstanding	73.88	80.04	87.08	76.18	78.75	
	Average inventory turnover (times)	0.96	1.08	0.89	0.82	1.02	
	Average payment turnover (times)	9.45	7.31	6.23	7.05	7.01	
	Average inventory turnover days	380.20	337.96	410.73	447.31	357.92	
	Property, plant and equipment turnover (times)	2.18	2.04	1.64	1.37	1.49	
	Total assets turnover (times)	0.51	0.56	0.47	0.43	0.51	
Profitability	Return on total assets (%)	1.06	5.44	3.58	6.96	5.84	
	Return on equity (%)	1.07	8.74	5.64	12.17	10.57	
	Pre-tax income to paid-in capital (%) (Note 7)	1.33	10.98	8.43	17.00	16.30	
	Net margin (%)	1.23	8.66	6.96	14.01	10.35	
	Earnings per share (NT$)	0.11	0.97	0.65	1.44	1.30	
Cash flow	Cash flow ratio (%)	16.25	38.68	2.71	18.48	19.57	
	Cash flow adequacy ratio (%)	88.69	68.15	55.70	53.27	65.29	
	Cash flow re-investment ratio (%)	1.64	4.74	(1.39)	2.56	1.98	
Leverage	Operating leverage	18.63	4.74	5.04	2.76	3.99	
	Financial leverage	2.04	1.08	1.10	1.07	1.10	

Please explain the reasons for the changes in the financial ratios in the last two years. (If the increase/decrease change is less than 20%, the analysis is not required)

This year, despite an increase in revenue compared to last year, both gross profit, operating profit, and net profit decreased compared to last year, mainly due to the impairment loss and land of Dai Shen Development Co., Ltd., in the current year, whereas there was a reversal of impairment and profit in the previous year. These changes resulted in fluctuations of over 20% in the interest coverage ratio, inventory turnover ratio, net profit margin, and operating leverage over the two-year period. The overall increase in net cash inflows from operating activities and cash dividend distribution led to significant changes in the cash adequacy ratio and cash reinvestment ratio over the two-year period.

Note 1: The 2019 to 2023 financial statements have been audited by CPAs.

Note 2: As of the publication date of the annual report, there is no recent financial information audited or reviewed by accountants, so it has not been disclosed.

Note 3: Formulas are shown at the end of the form.

(1-2) Standalone financial analysis

Items to be analyzed (Note 3) \ Year (Note 1)		Financial analysis for the most recent five years					Current year up to March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Capital structure (%)	Debt to asset ratio	33.17	30.93	33.65	37.01	34.23	
	Long-term fund to property, plant and equipment ratio	315.96	334.94	290.02	325.19	305.62	
Solvency %	Current ratio	119.70	110.24	67.62	94.29	100.20	
	Quick ratio	80.88	73.21	37.07	59.50	56.67	
	Times interest earned	2.66	21.91	17.41	24.01	18.51	
Operating performance	Average collection turnover (times)	5.60	5.30	5.22	6.01	6.21	
	Days sales outstanding	65.17	68.86	69.90	60.73	58.81	
	Average inventory turnover (times)	6.46	7.38	5.46	4.57	4.56	
	Average payment turnover (times)	10.57	9.62	8.54	8.83	8.54	
	Average inventory turnover days	56.50	49.45	66.84	79.93	80.01	
	Property, plant and equipment turnover (times)	1.80	2.07	1.62	1.80	1.95	
	Total assets turnover (times)	0.45	0.49	0.39	0.40	0.49	
Profitability	Return on total assets (%)	1.06	6.18	4.03	8.17	7.17	
	Return on equity (%)	1.07	8.74	5.64	12.17	10.57	
	Pre-tax income to paid-in capital (%)	1.17	10.29	7.56	16.31	15.20	
	Net margin (%)	1.57	11.95	9.53	18.67	14.06	
	Earnings per share (NT$)	0.11	0.97	0.65	1.44	1.30	
Cash flow	Cash flow ratio (%)	21.23	47.95	5.45	20.36	31.88	
	Cash flow adequacy ratio (%)	106.15	118.34	103.93	100.34	107.10	
	Cash flow re-investment ratio (%)	1.85	4.05	(1.20)	1.31	1.68	
Leverage	Operating leverage	9.03	2.78	3.22	2.57	2.25	
	Financial leverage	1.66	1.07	1.10	1.09	1.08	

Please explain the reasons for the changes in the financial ratios in the last two years. (If the increase/decrease change is less than 20%, the analysis is not required)

This year, increases in revenue, gross profit, net operating profit, and net cash inflow from operating activities compared to last year have led to improved total asset turnover ratio, cash flow ratio, and cash reinvestment ratio compared to the previous year. However, the land impairment loss incurred by the subsidiary Dai Shen Development Co., Ltd., in the current year resulted in lower net profit compared to the previous year, leading to weaker financial indicators such as interest coverage ratio and net profit margin compared to the previous year.

Note 1: The 2019 to 2023 financial statements have been audited by CPAs.

Note 2: As of the publication date of the annual report, there is no recent financial information audited or reviewed by accountants, so it has not been disclosed.

Note 3: Formulas are shown at the end of the form.

1. Financial structure
   (1) Debt-to-asset ratio = Total liabilities / Total assets
   (2) Long-term fund to property, plant and equipment ratio = (Shareholders' equity + non-current liabilities) / Net property, plant and equipment
2. Solvency
   (1) Current ratio = Current assets / Current liabilities
   (2) Quick ratio = (Current assets – inventories – prepaid expenses) / Current liabilities
   (3) Times interest earned = Earnings before interest and taxes / Interest expenses
3. Operating performance
   (1) Receivables (including accounts receivable and notes receivable due to business operation) turnover = Net sales / the balance of average receivables of different periods (including accounts receivable and notes receivable due to business operation)
   (2) Average collection days = 365 / Receivable turnover ratio
   (3) Average inventory turnover = Cost of goods sold / average inventory
   (4) Payables (including accounts payables and notes payable due to business operation) turnover = Cost of goods sold / the balance of average payables of different periods (including accounts payables and notes payable due to business operation)
   (5) Average inventory turnover days = 365 / Average inventory turnover
   (6) Property, plant and equipment turnover = Net sales / Average property, plant and equipment
   (7) Total assets turnover = Net sales / total assets
4. Profitability analysis
   (1) Return on total assets = [Net income + Interest expenses x (1 – tax rate)] / Average total assets
   (2) Return on equity attributable to shareholders of the parent = Net income attributable to shareholders of the parent / Average equity attributable to shareholders of the parent
   (3) Net margin = Net income / Net sales
   (4) Earnings per share = (Net income attributable to shareholders of the parent – preferred stock dividend) / Weighted average number of shares outstanding (Note 5)

5. Cash flow
   (1) Cash flow ratio = Net cash provided by operating activities / Current Liabilities
   (2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend
   (3) Cash flow reinvestment ratio = (Cash provided by operating activities – cash dividends) / (Gross property, plant and equipment + long-term investments + other noncurrent assets + working capital) (Note 6)
6. Leverage:
   (1) Operating leverage = (Net sales – variable cost) / Operating income (Note 7)
   (2) Financial leverage = Operating profit / (Operating profit - Interest expense)

Note 4: Pay attention to the following issues when making calculation for the earnings per share based on the above formula:
1. Calculation should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In case there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is a loss, no adjustment is made.

Note 5: Pay attention to the following issues when carrying out cash flow analysis:
1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures refers to the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividend includes cash dividends from both common shares and preferred shares.
5. Real property, plant and equipment value refers to the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 6: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, pay attention to their reasonableness and maintain consistency.

Note 7: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, pay attention to their reasonableness and maintain consistency.

III. 2023 annual review report of the Audit Committee

Review Report of the Audit Committee

The Board of Directors has prepared the Company's 2023 business report, consolidated financial statements (including the parent company only financial statements), and the proposal for earnings distribution. The financial statements have been audited by Deloitte Taiwan, and an audit report has been issued. The business report, financial statements, and profit distribution proposal have been reviewed and determined to be correct and accurate by the audit committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely,

2024 Annual General Shareholders’ Meeting of Lucky Cement Co.

Lucky Cement Corporation

Convener of Audit Committee: Chih-Cheng Wang

王志誠

March 26, 2024

IV. 2023 Parent Company Only Financial Statements

Deloitte.

勤業眾信

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lucky Cement Co.

Opinion

We have audited the accompanying parent company only financial statements of Lucky Cement Co. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 parent company only financial statements for the year ended December 31, 2023.

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

The descriptions of the key audit matters of the parent company only financial statements for the year ended December 31, 2023 are as follows:

<u>Occurrence of Sales Revenue from Key Customers</u>

The Company's sales revenue mainly comes from sales of cement, stone materials and other cement products. The sales revenue from key customers, new major customers or major customers with higher sales revenue increased in 2023, which amounted to NT$810,397 thousand, or 22% of the total sales revenue in 2023. The amount of sales revenue from key customers has a significant impact on the parent company only financial statements. Therefore, we deemed the occurrence of sales a key audit matter.

Refer to Note 4 (j) to the parent company only financial statements for accounting policies on revenue recognition and Note 22 (a) for the disclosures related to operating revenue.

Our key audit procedures performed in respect of the above area included the following:

1. We obtained an understanding of the internal control procedures over the sales revenue and assessed the design and effectiveness of the implementation of internal controls.

2. We obtained the summary of sales to the key customers for the year, tested the completeness of the summary, selected samples from the summary, examined supporting documents, and verified the occurrence of sales.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 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.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Mei Chen and Chiang-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2024

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

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

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

LUCKY CEMENT CO.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Notes 4 and 6)	$ 190,583	2	$ 136,596	2
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 28)	10,922	-	53,622	1
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 28)	83,279	1	123,952	2
Financial assets at amortized cost - current (Notes 4, 9 and 30)	7,507	-	37,534	-
Notes receivable (Notes 4, 10 and 22)	424,618	6	382,069	5
Notes receivable from related parties (Notes 4, 22 and 29)	56,194	1	35,384	-
Accounts receivable (Notes 4, 10 and 22)	90,795	1	117,835	1
Accounts receivable from related parties (Notes 4, 22 and 29)	46,561	1	55,020	1
Other receivables (Notes 4 and 10)	276	-	1,073	-
Other receivables from related parties (Notes 4 and 29)	120,389	2	334,775	4
Current tax assets (Note 24)	-	-	185	-
Inventories (Notes 4 and 11)	706,077	9	622,345	8
Prepayments (Note 12)	85,990	1	125,071	2
Total current assets	1,823,191	24	2,025,461	26
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 28)	10,254	-	9,097	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 30)	179,196	2	179,145	2
Investments accounted for using the equity method (Notes 4 and 13)	3,503,137	45	3,459,876	45
Property, plant and equipment (Notes 4, 14 and 30)	1,927,229	25	1,734,176	22
Right-of-use assets (Notes 4, 15 and 29)	128,002	2	93,241	1
Deferred tax assets (Notes 4 and 24)	52,063	1	42,949	1
Refundable deposits	12,768	-	13,838	-
Other non-current assets (Note 16)	73,788	1	229,724	3
Total non-current assets	5,886,437	76	5,762,046	74
TOTAL	$ 7,709,628	100	$ 7,787,507	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 30)	$ 500,000	6	$ 903,200	12
Short-term bills payable (Notes 17 and 30)	159,780	2	259,593	3
Contract liabilities (Notes 22 and 29)	271,408	4	302,195	4
Notes payable (Note 18)	169,426	2	131,055	2
Notes payable to related parties (Notes 18 and 29)	65,236	1	25,764	-
Accounts payable (Note 18)	103,853	1	151,202	2
Accounts payable to related parties (Notes 18 and 29)	40,636	1	22,389	-
Other payables (Note 19)	164,747	2	145,789	2
Other payables to related parties (Note 29)	2,154	-	2,934	-
Current tax liabilities (Note 24)	94,433	1	67,223	1
Lease liabilities - current (Notes 4, 15 and 29)	34,864	-	36,105	1
Current portion of long-term borrowings (Notes 17 and 30)	212,500	3	100,000	1
Other current liabilities	594	-	651	-
Total current liabilities	1,819,631	23	2,148,100	28
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 17 and 30)	637,500	8	600,000	8
Deferred tax liabilities (Notes 4 and 24)	24,193	1	21,943	-
Lease liabilities - non-current (Notes 4, 15 and 29)	93,919	1	58,021	1
Net defined benefit liabilities (Notes 4 and 20)	15,147	-	14,884	-
Guarantee deposits received	48,480	1	38,840	-
Total non-current liabilities	819,239	11	733,688	9
Total liabilities	2,638,870	34	2,881,788	37
EQUITY (Note 21)				
Share capital				
Ordinary shares	4,047,380	52	4,047,380	52
Capital surplus	18	-	18	-
Retained earnings				
Legal reserve	297,577	4	238,244	3
Special reserve	91,055	1	14,908	-
Unappropriated earnings	671,401	9	696,224	9
Total retained earnings	1,060,033	14	949,376	12
Other equity	(36,673)	-	(91,055)	(1)
Total equity	5,070,758	66	4,905,719	63
TOTAL	$ 7,709,628	100	$ 7,787,507	100

The accompanying notes are an integral part of the parent company only financial statements.

LUCKY CEMENT CO.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 22 and 29)				
Sales	$ 3,750,832	100	$ 3,115,503	100
Less: Discounts and allowances	(907)	-	(1,766)	-
Total operating revenue	3,749,925	100	3,113,737	100
OPERATING COSTS (Notes 11, 20, 23 and 29)	3,030,182	81	2,515,804	81
GROSS PROFIT	719,743	19	597,933	19
OPERATING EXPENSES (Notes 10, 20, 23 and 29)				
Selling and marketing expenses	98,827	3	96,231	3
General and administrative expenses	135,081	3	140,211	4
Total operating expenses	233,908	6	236,442	7
OTHER OPERATING INCOME AND EXPENSES (Note 23)	430	-	(147)	-
PROFIT FROM OPERATIONS	486,265	13	361,344	12
NON-OPERATING INCOME AND EXPENSES (Notes 4, 23 and 29)				
Interest income	6,284	-	4,417	-
Other income	97,409	3	60,592	2
Other gains and losses	16,095	-	(33,506)	(1)
Finance costs	(35,129)	(1)	(28,682)	(1)
Share of profit of subsidiaries accounted for using the equity method	44,239	1	295,916	9
Total non-operating income and expenses	128,898	3	298,737	9
PROFIT BEFORE INCOME TAX	615,163	16	660,081	21
INCOME TAX EXPENSE (Notes 4 and 24)	(88,024)	(2)	(78,865)	(2)
NET PROFIT FOR THE YEAR	527,139	14	581,216	19

(Continued)

LUCKY CEMENT CO.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023 Amount	2023 %	2022 Amount	2022 %
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of a defined benefit plan (Note 20)	$ (709)	-	$ 8,035	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(36,623)	(1)	(87,000)	(3)
Share of the other comprehensive income of subsidiaries accounted for using the equity method	(31)	-	1,502	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation to the financial statements of foreign operations	(947)	-	(700)	-
Other comprehensive loss, net of income tax	(38,310)	(1)	(78,163)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 488,829	13	$ 503,053	16
EARNINGS PER SHARE (Note 25)				
Basic	$ 1.30		$ 1.44	
Diluted	$ 1.30		$ 1.43	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

LUCKY CEMENT CO.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity		
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	$ 4,047,380	$ 18	$ 210,524	$ 14,135	$ 374,225	$ 4,368	$ (5,141)	$ 4,645,509
Appropriation of 2021 earnings								
Legal reserve	-	-	27,720	-	(27,720)	-	-	-
Special reserve	-	-	-	773	(773)	-	-	-
Cash dividends to shareholders	-	-	-	-	(242,843)	-	-	(242,843)
Net profit for the year ended December 31, 2022	-	-	-	-	581,216	-	-	581,216
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	9,589	(700)	(87,052)	(78,163)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	590,805	(700)	(87,052)	503,053
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	2,530	-	(2,530)	-
BALANCE AT DECEMBER 31, 2022	4,047,380	18	238,244	14,908	696,224	3,668	(94,723)	4,905,719
Appropriation of 2022 earnings								
Legal reserve	-	-	59,333	-	(59,333)	-	-	-
Special reserve	-	-	-	76,147	(76,147)	-	-	-
Cash dividends to shareholders	-	-	-	-	(323,790)	-	-	(323,790)
Net profit for the year ended December 31, 2023	-	-	-	-	527,139	-	-	527,139
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	(709)	(947)	(36,654)	(38,310)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	526,430	(947)	(36,654)	488,829
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 21)	-	-	-	-	(91,983)	-	91,983	-
BALANCE AT DECEMBER 31, 2023	$ 4,047,380	$ 18	$ 297,577	$ 91,055	$ 671,401	$ 2,721	$ (39,394)	$ 5,070,758

The accompanying notes are an integral part of the parent company only financial statements.

LUCKY CEMENT CO.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 615,163	$ 660,081
Adjustments for:		
Depreciation expense	138,064	132,304
Amortization and depletion expense	16,535	17,175
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(24,825)	24,909
Finance costs	35,129	28,682
Interest income	(6,284)	(4,417)
Dividend income	(62,698)	(26,911)
Share of profit of subsidiaries accounted for using the equity method	(44,239)	(295,916)
(Gain) loss on disposal of property, plant and equipment	(430)	147
Loss on impairment of financial assets	-	2,264
Inventories write-down loss	-	18,843
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	67,525	(38,305)
Notes receivable	(42,549)	(128,921)
Notes receivable from related parties	(20,810)	13,455
Accounts receivable	27,040	(7,143)
Accounts receivable from related parties	8,459	(21,936)
Other receivables	837	25
Other receivables from related parties	149	(185)
Inventories	(83,732)	(161,706)
Prepayments	39,081	32,878
Contract liabilities	(30,787)	103,856
Notes payable	5,136	23,011
Notes payable to related parties	39,472	(15,637)
Accounts payable	(47,349)	62,966
Accounts payable to related parties	18,247	20,925
Other payables	30,305	23,105
Other payables to related parties	(780)	(1,324)
Other current liabilities	(57)	201
Net defined benefit liabilities	(446)	(646)
Cash generated from operations	676,156	461,780
Interest received	6,481	3,947
Interest paid	(35,105)	(28,100)
Income tax paid	(67,493)	(347)
Net cash generated from operating activities	580,039	437,280

(Continued)

LUCKY CEMENT CO.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (85,280)	$ (165,636)
Proceeds from sale of financial assets at fair value through other comprehensive income	88,173	24,518
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	5,700
Decrease in financial assets at amortized cost	29,976	68,920
Acquisition of property, plant and equipment	(129,071)	(263,702)
Proceeds from disposal of property, plant and equipment	430	2,500
Decrease in refundable deposits	1,070	157,317
Increase in other receivables from related parties	-	(324,700)
Decrease in other receivables from related parties	214,000	-
Increase in other non-current assets	-	(14,912)
Other dividends received	62,698	26,911
Dividends from subsidiaries	-	94,000
Net cash generated from (used in) investing activities	181,996	(389,084)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	120,841
Decrease in short-term borrowings	(403,200)	-
Decrease in short-term bills payable	(100,000)	(40,000)
Proceeds from long-term borrowings	250,000	700,000
Repayments of long-term borrowings	(100,000)	(534,000)
Increase in guarantee deposits received	9,640	5,030
Repayment of the principal portion of lease liabilities	(40,698)	(40,027)
Cash dividends paid	(323,790)	(242,843)
Net cash used in financing activities	(708,048)	(30,999)
NET INCREASE IN CASH	53,987	17,197
CASH AT THE BEGINNING OF YEAR	136,596	119,399
CASH AT THE END OF YEAR	$ 190,583	$ 136,596

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Lucky Cement Co. (the "Company") was established in 1974; its main business is production and sale of Portland cement. The Company listed its shares on the Taiwan Stock Exchange in June 1990.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors on March 15, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
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 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact of that the application of other standards and interpretations will have on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

When preparing the Company's financial statements, the Company accounts for its investments in subsidiaries by using the equity method. In order for the amounts of the net profit and other comprehensive income and equity for the year in the Company's financial statements to be the same as the amounts attributable to the parent company in its consolidated financial statements, adjustments arising from the differences in the accounting treatment between the parent company only basis and the consolidated basis were made to the investments accounted for by the equity method, the share of other comprehensive income of subsidiaries and the related equity items, as appropriate, in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the parent company only financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currencies are not retranslated.

For the purpose of presenting financial statements, the parent company only financial statements of the Company's foreign operations that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, supplies and spare parts, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution of earnings received. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investments and the fair value of the consideration paid or received.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company's financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company's financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of property, plant and equipment and right-of-use assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI.

i. Financial asset at FVTPL

Financial asset is classified as at FVTPL when such financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash, financial assets at amortized cost, trade receivables and other receivables are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

ii) Financial asset that is not credit-impaired on purchase or origination but has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit-impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 181 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The Company recognizes an impairment loss or reversal of impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss that had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

j. Revenue recognition

The Company identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from sale of products

Revenue from sale of products comes from sales of cement, stone materials and other cement products. Sales of cement, stone materials and other cement products are recognized as revenue when the products are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the products, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

k. Leasing

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

l.Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution.

Defined benefit costs (including service costs, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service costs (including current service costs and past service cost) and net interest on the net defined benefit liability are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

The net defined benefit liability represents the actual deficit in the Company’s defined benefit plans.

m. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current tax and deferred tax for the year

Current tax and deferred tax are recognized in profit or loss.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

6. CASH

	December 31	
	2023	2022
Cash on hand and revolving funds	$ 1,295	$ 1,114
Checking accounts and demand deposits	188,532	135,169
Foreign currency demand deposits	756	313
	$ 190,583	$ 136,596

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
Non-derivative Assets	2023	2022
Current		
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 10,922	$ 53,622

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2023	**2022**
Current		
Domestic investments - listed shares	$ 83,279	$ 123,952
Non-current		
Domestic investments - unlisted shares	$ 10,254	$ 9,097

The aforementioned information for investments, please refer to Note 34, Table 3 “Marketable Securities Held”.

For other relevant information on financial assets measured at FVTOCI, please refer to Notes 21(e) and 28.

These investments in equity instruments are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing fluctuations in these investments’ fair value in profit or loss would not be consistent with the Company’s strategy of holding these investments for long-term purposes.

For the years ended December 31, 2023 and 2022, the Company disposed of partial common stock at fair value of $88,173 thousand and $23,894 thousand, and related other equity - unrealized valuation gains or losses on financial assets at fair value through other comprehensive losses of $91,983 thousand and income of $2,530 thousand were transferred to retained earnings, respectively.

For the year ended December 31, 2023, the Company the dividends income of $62,698 thousand.

For the year ended December 31, 2022, the Company recognized a capital reduction refunded of investee of $5,700 thousand and dividend income of $26,911 thousand from FVTOCI, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	**2022**
Current		
Time deposits with original maturities of more than 3 months (a)	$ 7,507	$ 7,534
Restricted assets (b)	-	30,000
	$ 7,507	$ 37,534
Non-current		
Restricted assets (c)	$ 179,196	$ 179,145

a. The interest rates of time deposits with original maturities of more than 3 months were approximately 1.89% and 1.68% per annum as of December 31, 2023 and 2022, respectively.

b. The restricted assets - current are savings deposits and certificate of deposits that are provided as guarantees for bank loan and construction contract; market interest rate ranges were approximately 0.20%-0.46% per annum as of December 31, 2022.

c. The restricted assets - non-current are certificate of deposits in the bank that is pledged as the security of mining right, which has market interest rates range of approximately 0.50%-1.58% and 0.50%-1.44% per annum as of December 31, 2023 and 2022, respectively.

d. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 424,618	$ 382,069
Trade receivables		
At amortized cost		
Gross carrying amount	$ 91,064	$ 118,104
Less: Allowance for impairment loss	(269)	(269)
	$ 90,795	$ 117,835
Other receivables		
Others	$ 276	$ 1,073

a. Notes receivable

The average credit period of sales of products was 60-150 days. No interest is charged on notes receivable. In order to minimize credit risk, the management of the Company has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts.

Notes receivable of the Company are not overdue as of the balance sheet date. The Company assesses that no allowance for loss on notes receivable is required as of December 31, 2023 and 2022.

b. Trade receivables

The average credit period of sales of products is 60-150 days. No interest is charged on trade receivables. In order to minimize credit risk, the management of the Company has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company measure the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as the GDP forecasts and industry outlook. The Company's provision matrixes are prepared by reference to if the customer were in severe financial difficulty. The Company recorded a 100% of loss allowance when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; If the customer were not in severe financial difficulty, as the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2023

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	-	-	-	-	100%	100%	
Gross carrying amount	$ 90,795	$ -	$ -	$ -	$ 269	$ -	$ 91,064
Loss allowance (Lifetime ECLs)	-	-	-	-	(269)	-	(269)
Amortized cost	$ 90,795	$ -	$ -	$ -	$ -	$ -	$ 90,795

December 31, 2022

	Not Past Due	Past due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	-	-	-	-	100%	100%	
Gross carrying amount	$ 117,835	$ -	$ -	$ -	$ 269	$ -	$ 118,104
Loss allowance (Lifetime ECLs)	-	-	-	-	(269)	-	(269)
Amortized cost	$ 117,835	$ -	$ -	$ -	$ -	$ -	$ 117,835

c. Other receivables

Other receivables mainly include proceeds from sales of securities and guarantee deposits. The Company adopted a policy of only dealing with high credit rating entities and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from its own historical trading records to rate its customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

The Company considers the current financial condition of debtors to determine the expected credit losses for debt instrument investments. As December 31, 2023 and 2022, the expected credit loss rate of other receivables was both 0% consistently.

11. INVENTORIES

	December 31	
	2023	2022
Raw materials	$ 365,221	$ 313,619
Work in progress	45,982	94,459
Finished goods	124,079	115,900
Supplies and spare parts	170,795	98,367
	$ 706,077	$ 622,345

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 3,030,182	$ 2,496,961
Inventory write-downs	-	18,843
	$ 3,030,182	$ 2,515,804

12. PREPAYMENTS

	December 31	
	2023	2022
Prepaid expenses	$ 72,937	$ 64,586
Prepayments for purchases materials	12,989	28,845
Office supplies	-	31,046
Others	64	594
	$ 85,990	$ 125,071

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2023	2022
Investment in subsidiary		
Domestic unlisted companies		
Dasheng Enterprise Co., Ltd. (“Dasheng Enterprise”)	$ 2,553,919	$ 2,673,588
Luckicon Ready-mixed Concrete Factory Co., Ltd. (“Luckicon Ready-mixed Co.”)	923,671	745,950
Lucky Cement Corp., Japan (“Lucky Cement Japan”)	7,418	17,598
Luckyship Marine Co., Ltd. (“Luckyship Co.”)	18,129	22,740
	$ 3,503,137	$ 3,459,876

The Company's proportion of ownership and voting rights in the associates on the balance sheet date were as follows:

	December 31	
	2023	2022
Dasheng Enterprise	99.99%	99.99%
Luckicon Ready-mixed Co.	100.00%	100.00%
Lucky Cement Japan	100.00%	100.00%
Luckyship Co.	100.00%	100.00%

In the years 2023 and 2022, the share of profit (loss) of subsidiaries and the share of other comprehensive income of subsidiaries for using equity method were recognized based on audited financial statements for the same periods.

Refer to Note 34 and Table 6 for more information on the investees.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2023	$ 1,055,767	$ 2,120,773	$ 5,562,265	$ 1,106,961	$ 829,741	$ 352,563	$ 11,028,070
Additions	7,263	11,915	101,204	14,116	136,541	19,484	290,523
Disposals	-	-	(28,561)	(2,378)	(4,688)	(23,412)	(59,039)
Balance at December 31, 2023	$ 1,063,030	$ 2,132,688	$ 5,634,908	$ 1,118,699	$ 961,594	$ 348,635	$ 11,259,554
Accumulated depreciation and impairment							
Balance at January 1, 2023	$ -	$ 1,882,080	$ 5,482,683	$ 1,101,437	$ 491,973	$ 335,721	$ 9,293,894
Depreciation expense	-	39,514	15,528	4,038	28,973	9,417	97,470
Disposals	-	-	(28,561)	(2,378)	(4,688)	(23,412)	(59,039)
Balance at December 31, 2023	$ -	$ 1,921,594	$ 5,469,650	$ 1,103,097	$ 516,258	$ 321,726	$ 9,332,325
Carrying amount at December 31, 2023	$ 1,063,030	$ 211,094	$ 165,258	$ 15,602	$ 445,336	$ 26,909	$ 1,927,229
Cost							
Balance at January 1, 2022	$ 1,055,767	$ 2,120,773	$ 5,554,991	$ 1,106,961	$ 758,217	$ 353,454	$ 10,950,163
Additions	-	-	7,274	-	120,713	6,002	133,989
Disposals	-	-	-	-	(49,189)	(6,893)	(56,082)
Balance at December 31, 2022	$ 1,055,767	$ 2,120,773	$ 5,562,265	$ 1,106,961	$ 829,741	$ 352,563	$ 11,028,070
Accumulated depreciation and impairment							
Balance at January 1, 2022	$ -	$ 1,841,716	$ 5,468,012	$ 1,098,092	$ 514,014	$ 333,240	$ 9,255,074
Depreciation expense	-	40,364	14,671	3,345	24,501	9,374	92,255
Disposals	-	-	-	-	(46,542)	(6,893)	(53,435)
Balance at December 31, 2022	$ -	$ 1,882,080	$ 5,482,683	$ 1,101,437	$ 491,973	$ 335,721	$ 9,293,894
Carrying amount at December 31, 2022	$ 1,055,767	$ 238,693	$ 79,582	$ 5,524	$ 337,768	$ 16,842	$ 1,734,176

a. A part of the Company's land use rights reserved for use by the aborigines is temporarily registered in the name of a third person. The trustee had issued an affidavit and mortgaged the land to the Company.

b. The Company's property, plant and equipment are depreciated on a straight-line method over their estimated useful lives as follows:

Buildings	
Main building of plant	35-53 years
Electrical power equipment	10-15 years
Engineering system	2-5 years
Machinery and equipment	2-22 years
Electrical equipment	2-18 years
Transportation equipment	2-17 years
Other equipment	2-19 years

c. There were no impairment losses of assets for the years ended December 31, 2023 and 2022 since the Company did not perform an impairment test.

d. Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 30.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	**2022**
Carrying amount		
Land	$ 35,075	$ 27,898
Buildings	92,586	65,295
Transportation equipment	341	48
	$ 128,002	$ 93,241

	For the Year Ended December 31	
	2023	**2022**
Addition to right-of-use assets	$ 75,355	$ 26,560
Depreciation charge for right-of-use assets		
Land	$ 11,927	$ 11,142
Buildings	28,332	28,339
Transportation equipment	335	568
	$ 40,594	$ 40,049

Except for the aforementioned recognized addition and depreciation, the Company did not have any significant subleases or impairment of right-of-use assets during the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 34,864	$ 36,105
Non-current	$ 93,919	$ 58,021

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Land	1.55%-2.22%	1.50%-1.85%
Buildings	1.55%-2.00%	1.50%-1.60%
Transportation equipment	2.03%	1.60%

c. Material lease-in activities and terms

The Company leases land and buildings for the use of offices and operation with lease terms of 3 to 20 years.

The Company leases transportation equipment for the use of operation with lease terms of 2 years.

The Company does not have bargain purchase options to acquire the above lease subjects at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 3,704	$ 3,697
Expenses relating to low-value asset leases	320	375
Interest on lease liabilities	1,630	1,425
Principal of lease liabilities	40,698	40,027
Total cash outflow for leases	$ 46,352	$ 45,524

The Company's leases of certain buildings qualify as short-term leases and leases of certain equipment qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. OTHER NON-CURRENT ASSETS

	December 31	
	2023	2022
Long-term prepaid expenses	$ 4,318	$ 44,692
Prepayments for equipment	50,706	166,266
Net limestone mining rights	18,764	18,766
	$ 73,788	$ 229,724

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Secured borrowings (Note 30)		
Bank loans	$ 200,000	$ 633,200
Unsecured borrowings		
Line of credit borrowings	300,000	270,000
	$ 500,000	$ 903,200

The interest rates of the bank loans were as follows:

	December 31	
	2023	2022
Secured borrowings	1.90%	1.75%-1.85%
Unsecured borrowings	1.89%-1.90%	1.85%-2.17%

b. Short-term bills payable

	December 31	
	2023	2022
Commercial paper	$ 160,000	$ 260,000
Less: Unamortized discounts on bills payable	(220)	(407)
	$ 159,780	$ 259,593

Outstanding short-term bills payable were as follows:

December 31, 2023

Guarantee/Promissory Institution	Par Value	Discount Amount	Carrying Amount	Interest Rate
Commercial paper				
Grand Bills Finance Corporation	$ 50,000	$ 148	$ 49,852	1.90%
China Bills Finance Corporation	30,000	39	29,961	1.89%
Mega Bills Finance Corporation	80,000	33	79,967	1.90%
	$ 160,000	$ 220	$ 159,780	

December 31, 2022

Guarantee/Promissory Institution	Par Value	Discount Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 80,000	$ 221	$ 79,779	1.98%
Dah Chung Bills Finance Corporation	50,000	44	49,956	1.76%
China Bills Finance Corporation	50,000	134	49,866	1.92%
Mega Bills Finance Corporation	80,000	8	79,992	1.86%
	$ 260,000	$ 407	$ 259,593	

The above refer to commercial promissory notes guaranteed by bank, there are no collateral of them, and the term of each note does not exceed 180 days.

c. Long-term borrowings

	December 31	
	2023	2022
Secured borrowings (Note 30)		
Bank loans	$ 850,000	$ 600,000
Unsecured borrowings		
Loans from bank	-	100,000
Less: Current portion	(212,500)	(100,000)
	$ 637,500	$ 600,000

	Details	December 31 2023	December 31 2022
Secured borrowings			
Taiwan Cooperative Bank	The loan period is from October 5, 2022 to January 12, 2027. In addition, the Company signed a new contract in October 2022, and the loan amount is $86 million. The loan is repayable in quarterly installments starting in April 2024.	$ 600,000	$ 600,000
Bank of Taiwan	The loan period is from April 17, 2023 to April 17, 2026 and is repayable in quarterly installments starting in July 2024.	250,000	-
Unsecured borrowings			
The Export-Import Bank of the Republic of China	The loan period is from August 5, 2022 to September 5, 2023. The principal will be repaid one time on the maturity date.	-	100,000
		850,000	700,000
Less: Current portion		(212,500)	(100,000)
Long-term borrowings		$ 637,500	$ 600,000

The annual interest rate of long-term borrowings were 2.21%-2.25% and 2.00%-2.43% as of December 31, 2023 and 2022, respectively.

18. NOTES PAYABLE AND TRADE PAYABLES

a. Notes payable

The Company’s issues notes payable for domestic payments and equipments.

b. Trade payables

The average credit period for purchases is 3 months. The Company’s financial risk management policies ensure that all payables are repaid within the pre-agreed credit period.

19. OTHER PAYABLES

	December 31 2023	December 31 2022
Payables for salaries and bonuses	$ 103,177	$ 101,460
Payables for taxes	25,462	10,997
Payables for utilities expense	21,915	9,047
Payables for purchases of equipment	3,164	14,348
Others	11,029	9,937
	$ 164,747	$ 145,789

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amount of the Company's defined benefit plan is included in the balance sheets is as follows:

	December 31	
	2023	**2022**
Present value of funded defined benefit obligation	$ 159,608	$ 170,970
Fair value of plan assets	(144,461)	(156,086)
Net defined benefit liabilities	$ 15,147	$ 14,884

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2022	$ 183,643	$ (160,078)	$ 23,565
Service costs			
Current service costs	571	-	571
Net interest expense (income)	1,138	(995)	143
Recognized in profit or loss	1,709	(995)	714
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(13,931)	(13,931)
Actuarial loss (gain)			
Changes in financial assumptions	(2,849)	-	(2,849)
Experience adjustments	8,745	-	8,745
Recognized in other comprehensive income	5,896	(13,931)	(8,035)
Contributions from the employer	-	(1,360)	(1,360)
Benefit paid	(20,278)	20,278	-
Balance at December 31, 2022	$ 170,970	$ (156,086)	$ 14,884

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2023	$ 170,970	$ (156,086)	$ 14,884
Service costs			
Current service costs	558	-	558
Net interest expense (income)	1,923	(1,762)	161
Recognized in profit or loss	2,481	(1,762)	719
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,579)	(1,579)
Actuarial loss			
Experience adjustments	2,288	-	2,288
Recognized in other comprehensive income	2,288	(1,579)	709
Contributions from the employer	-	(1,165)	(1,165)
Benefit paid	(16,131)	16,131	-
Balance at December 31, 2023	$ 159,608	$ (144,461)	$ 15,147

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	$ 466	$ 468
Selling and marketing expenses	96	96
General and administrative expenses	157	150
	$ 719	$ 714

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	**2022**
Discount rate	1.125%	1.125%
Expected rate of salary increase	1.500%	1.500%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate		
0.25% increase	$ (2,293)	$ (2,723)
0.25% decrease	$ 2,346	$ 2,790
Expected rate of salary increase		
0.25% increase	$ 2,297	$ 2,731
0.25% decrease	$ (2,257)	$ (2,679)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ 1,137	$ 1,225
Average duration of the defined benefit obligation	5.8 years	6.5 years

21. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	**2022**
Number of shares authorized (in thousands)	498,646	498,646
Shares authorized	$ 4,986,460	$ 4,986,460
Number of shares issued and fully paid (in thousands)	404,738	404,738
Shares issued	$ 4,047,380	$ 4,047,380

A holder of issued ordinary share with a par value of $10 is entitled to exercise shareholders' voting rights and to receive distributed dividends.

b. Capital surplus

	December 31	
	2023	**2022**
May be used to offset a deficit, distributed as cash dividends or transferred to share capital*		
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition	$ 10	$ 10
May be used only to offset a deficit		
Changes in percentage of ownership interests in subsidiaries	8	8
	$ 18	$ 18

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

The Company's Articles of incorporation ("Articles"), which stipulates that the Company shall consider distribution of earnings or appropriation of earnings to a reserve at the end of the first half of the fiscal year or at the end of the fiscal year. The business report and financial statements should be submitted to the audit committee for review, and to the board of directors for resolution.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. However, these stipulations shall not apply when the legal reserve amount has reached the authorized capital. The Company should also follow Article 240 of the Company Act in the case of distribution of earnings in the form of shares; in the case of distribution of earnings in cash, the board of directors is authorized to resolve the distribution of cash dividends; the resolution should be adopted by a majority vote in the meeting of the board of directors attended by two-thirds of all the directors, and then reported to the shareholders' meeting.

According to the Articles, the Company should distribute earnings or appropriate earnings to a reserve based on the financial statements audited or reviewed by an independent accountant.

The Articles stipulate that in the allocation of annual earnings, the Company shall first appropriate 10% of earnings to legal reserve and then appropriate to special reserve amount to cover deduction items in the equity, payment of business tax and to make up for past annual loss. From the remaining amount after the above allocation plus 40%-80% of unappropriated earnings in the previous year, no distribution will be made if the amount is less than NT$0.1 per share but will be retained in the unappropriated earnings. The board of directors shall propose distribution of dividends and the shareholders in their meeting shall approve the proposal. Refer to Note 23 (h), employee benefits, for the revised policy on the compensation of employees and remuneration of directors.

The appropriation and distribution of earnings and capital surplus as cash dividend or share dividend shall be subject to the real profit and fund situation in the current year, with consideration of fund for investment and possible dilution of earnings per share. The allocation for share dividend shall be limited to 20% of the issued shares. In case there is deduction item in equity, the deduction item shall be first offset with earnings or capital surplus before making the appropriation and allocation. When equity deduction item is reversed, the reversed amount shall be allocated to capital surplus. The allocation of capital surplus shall be accounted in the current year and passed in the general meeting of shareholders in the next year.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

On November 10, 2023 and November 10, 2022, the Company's board of directors adopted the results of operations for the first half of 2023 and 2022, respectively, decided not to distribute dividends.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 59,333	$ 27,720
Special reserve	$ 76,147	$ 773
Cash dividends	$ 323,790	$ 242,843
Cash dividends per share (NT$)	$ 0.80	$ 0.60

The above appropriations of cash dividends had been resolved by the Company's board of directors on March 16, 2023 and March 30, 2022, respectively; the appropriations of earnings had been resolved by the shareholders in their meetings on June 30, 2023 and June 30, 2022, respectively.

The appropriations of earnings and dividend per share for 2023 that were approved in the board of directors' meeting on March 15, 2024 were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 43,445
Reversal of special reserve	$ 54,382
Cash dividends	$ 404,738
Cash dividends per share (NT$)	$ 1.00

The above appropriation for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 18, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Beginning at January 1	$ 14,908	$ 14,135
Appropriation in respect of:		
Reversal of the debits to other equity items	76,147	773
Balance at December 31	$ 91,055	$ 14,908

Upon initial application of IFRS Accounting Standards, the conversion adjustments of NT$14,135 thousand were transferred to retained earnings, and the same amount was appropriated to special reserve.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 3,668	$ 4,368
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(947)	(700)
Balance at December 31	$ 2,721	$ 3,668

2) Unrealized valuation loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (94,723)	$ (5,141)
Recognized for the year		
Unrealized gain (loss) - equity instruments	(36,623)	(87,000)
Share from subsidiaries accounted for using the equity method	(31)	(52)
Other comprehensive income recognized for the year	(36,654)	(87,052)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	91,983	(2,530)
Balance at December 31	$ (39,394)	$ (94,723)

22. REVENUE

a. Segmentation of customer contract revenue

	For the Year Ended December 31	
	2023	2022
Cement	$ 2,461,618	$ 2,062,159
Stone materials	743,623	602,239
Others	544,684	449,339
	$ 3,749,925	$ 3,113,737

b. Balance of assets and liabilities related to the sales contracts

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable (Note 10)	$ 424,618	$ 382,069	$ 253,148
Notes receivable from related parties	$ 56,194	$ 35,384	$ 48,839
Trade receivables (Note 10)	$ 90,795	$ 117,835	$ 110,692
Trade receivables from related parties	$ 46,561	$ 55,020	$ 33,084
Contract liabilities			
Cement sales	$ 261,070	$ 298,985	$ 197,338
Others	10,338	3,210	1,001
	$ 271,408	$ 302,195	$ 198,339

The changes in contract liabilities primarily resulted from the timing difference between the satisfaction of performance obligation and the customer's payment.

The amount of contract liability at the beginning of the year with performance obligation satisfied and revenue recognized in the current year was as follows:

	For the Year Ended December 31	
	2023	2022
Contract liability at the beginning of the year		
Cement sales	$ 298,985	$ 197,338
Others	3,210	1,001
	$ 302,195	$ 198,339

23. NET PROFIT

a. Other operating income and expenses

	For the Year Ended December 31	
	2023	2022
Gains (losses) on disposals of property, plant and equipment	$ 430	$ (147)

b. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 2,863	$ 1,919
Loans to related parties	3,421	2,498
	$ 6,284	$ 4,417

c. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	$ 20,488	$ 18,737
Dividends	62,698	26,911
Others	14,223	14,944
	$ 97,409	$ 60,592

d. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign currency exchange loss	$ (1,181)	$ (1,082)
Net gain (loss) on fair value changes of financial assets at fair value through profit or loss	24,825	(24,909)
Loss on impairment of financial assets	-	(2,264)
Depreciation of leased assets	(2,292)	(1,866)
Others	(5,257)	(3,385)
	$ 16,095	$ (33,506)

e. Financial costs

	For the Year Ended December 31	
	2023	2022
Bank loan	$ 33,486	$ 27,257
Interest on lease liabilities	1,630	1,425
Others	13	-
	$ 35,129	$ 28,682

f. Depreciation, amortization and depletion

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 97,470	$ 92,255
Right-of-use assets	40,594	40,049
Long-term prepaid expenses	16,533	17,173
Limestone mining rights	2	2
	$ 154,599	$ 149,479
An analysis of depreciation by function		
Operating costs	$ 92,785	$ 87,671
Operating expenses	42,987	42,767
Non-operating expenses	2,292	1,866
	$ 138,064	$ 132,304
An analysis of amortization by function		
Operating costs	$ 15,069	$ 14,876
Operating expenses	1,464	2,297
	$ 16,533	$ 17,173
An analysis of depletion by function		
Operating costs	$ 2	$ 2

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plan	$ 9,280	$ 8,721
Defined benefit plan	719	714
	9,999	9,435
Other employee benefits	313,057	316,764
Total employee benefits expense	$ 323,056	$ 326,199
An analysis of employee benefits expense by function		
Operating costs	$ 199,190	$ 186,652
Operating expenses	123,866	139,547
	$ 323,056	$ 326,199

h. Compensation of employees and remuneration of directors

The Company shall appropriate 3% and not less than 5% of the profit before tax and before deduction of compensation of employees and remuneration of directors in the current year. The compensation of employees and remuneration of directors for 2023 and 2022 that were resolved by the board of directors on March 15, 2024 and March 16, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	3%	3%
Remuneration of directors	5%	5%

Amount

	For the Year Ended December 31	
	2023	**2022**
	Cash	**Cash**
Compensation of employees	$ 20,060	$ 21,524
Remuneration of directors	33,433	35,874

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	**2022**
Foreign exchange gains	$ 17	$ 4,775
Foreign exchange losses	(1,198)	(5,857)
	$ (1,181)	$ (1,082)

24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 94,660	$ 67,488
Adjustments for prior year	228	(2,367)
	94,888	65,121
Deferred tax		
In respect of the current year	(6,864)	13,744
Income tax expense recognized in profit or loss	$ 88,024	$ 78,865

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 615,163	$ 660,081
Income tax expense calculated at the statutory rate	$ 123,033	$ 132,016
Nondeductible income in determining taxable income	(35,913)	(45,811)
Adjustments for unrecognized deductible temporary differences and loss carryforwards	13,341	976
Tax-exempt income	(12,665)	(5,949)
Adjustments for prior year	228	(2,367)
Income tax expense recognized in profit or loss	$ 88,024	$ 78,865

b. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ -	$ 185
Current tax liabilities		
Income tax payable	$ 94,433	$ 67,223

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Pension limit exceeded	$ 12,994	$ (89)	$ 12,905
Investment loss under equity method	8,413	23,453	31,866
Unrealized inventory valuation loss	17,507	(14,937)	2,570
Gross profit from advance receipts with an issued bill of lading	3,582	663	4,245
Unrealized foreign exchange loss	-	24	24
Others	453	-	453
	$ 42,949	$ 9,114	$ 52,063
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of fixed assets	$ 21,938	$ 2,255	$ 24,193
Unrealized foreign exchange gain	5	(5)	-
	$ 21,943	$ 2,250	$ 24,193

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Pension limit exceeded	$ 13,124	$ (130)	$ 12,994
Investment loss under equity method	15,431	(7,018)	8,413
Unrealized inventory valuation loss	13,739	3,768	17,507
Gross profit from advance receipts with an issued bill of lading	3,325	257	3,582
Others	-	453	453
	45,619	(2,670)	42,949
Tax loss	12,470	(12,470)	-
	$ 58,089	$ (15,140)	$ 42,949

(Continued)

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of fixed assets	$ 23,211	$ (1,273)	$ 21,938
Unrealized foreign exchange gain	128	(123)	5
	$ 23,339	$ (1,396)	$ 21,943

(Concluded)

d. Income tax assessments

The income tax returns through 2021 of the Company have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts.

25. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Earnings used in the computation of basic and diluted earnings per share	$ 527,139	$ 581,216

Earnings Per Share

(In Thousands of Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	404,738	404,738
Effect of potentially dilutive ordinary shares		
Compensation of employees	1,587	2,205
Weighted average number of ordinary shares used in the computation of diluted earnings per share	406,325	406,943

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. CASH FLOW INFORMATION

a. Partial cash transactions

The following are the Company's non-cash investing activities which were not reflected in the statements of cash flows for the years ended December 31, 2023 and 2022:

	For the Year Ended December 31	
	2023	2022
Partial cash generated from disposal of financial assets at FVTOCI		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 88,173	$ 23,894
Net changes in receivables from sale of securities (reported as other receivables)	-	624
Cash received	$ 88,173	$ 24,518
Partial cash payments for purchase of PP&E		
Acquisition of property, plant and equipment	$ 290,523	$ 133,989
Net changes in prepayments for equipment	(139,401)	144,061
Net changes in payables for purchase of equipment (reported as notes payable and other payables)	(22,051)	(14,348)
Cash paid	$ 129,071	$ 263,702

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	Balance at January 1, 2023	Cash Flows	Non-cash Changes		Balance at December 31, 2023
			New Lease	Discount Amortization	
Short-term borrowings	$ 903,200	$ (403,200)	$ -	$ -	$ 500,000
Short-term bills payable	259,593	(100,000)	-	187	159,780
Long-term borrowings	700,000	150,000	-	-	850,000
Guarantee deposits received	38,840	9,640	-	-	48,480
Lease liabilities	94,126	(40,698)	75,355	-	128,783
	$ 1,995,759	$ (384,258)	$ 75,355	$ 187	$ 1,687,043

For the year ended December 31, 2022

	Balance at January 1, 2022	Cash Flows	Non-cash Changes		Balance at December 31, 2022
			New Lease	Discount Amortization	
Short-term borrowings	$ 782,359	$ 120,841	$ -	$ -	$ 903,200
Short-term bills payable	299,608	(40,000)	-	(15)	259,593
Long-term borrowings	534,000	166,000	-	-	700,000
Guarantee deposits received	33,810	5,030	-	-	38,840
Lease liabilities	107,593	(40,027)	26,560	-	94,126
	$ 1,757,370	$ 211,844	$ 26,560	$ (15)	$ 1,995,759

27. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy of the Company remains consistent.

The capital structure of the Company consists of net debt (borrowings offset by cash) and equity of the Company (comprising issued capital, reserves, retained earnings, other equity).

Key management personnel of the Company review the capital structure on regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of public finance-debt or existing debt redeemed.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

There is no significant difference between the carrying amounts and fair values of the financial assets and financial liabilities which are not measured at fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 10,922	$ -	$ -	$ 10,922
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 83,279	$ -	$ -	$ 83,279
Unlisted shares	-	-	10,254	10,254
	$ 83,279	$ -	$ 10,254	$ 93,533

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 53,622	$ -	$ -	$ 53,622
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 123,952	$ -	$ -	$ 123,952
Unlisted shares	-	-	9,097	9,097
	$ 123,952	$ -	$ 9,097	$ 133,049

There were no transfers between Levels 1 and 2 in the ended December 31, 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	Financial Assets at FVTOCI - Equity Instruments	
	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 9,097	$ 10,688
Recognized in other comprehensive income (included in unrealized valuation (loss) gain on financial assets at FVTOCI)	(960)	(1,591)
Additions	2,117	-
Balance at December 31	$ 10,254	$ 9,097

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The asset approach and comparable listed companies approach were used to calculate the fair values of investments in domestic unlisted equity instruments.

The comparable listed companies approach takes into account the transaction prices of shares of listed companies in an active market, the value multiplier implicit in the price and the liquidity discount when evaluating the fair value of the target company.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 10,922	$ 53,622
Financial assets at amortized cost (1)	1,128,887	1,293,269
Financial assets at FVTOCI		
Equity instruments	93,533	133,049
Financial liabilities		
FVTPL		
Amortized cost (2)	1,975,673	2,270,259

1) The balances include financial assets at amortized cost, which comprise cash, financial assets at amortized cost, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables (excluding salaries, bonuses and taxes), long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The Company's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Company through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

The exposure to market risk of the financial instruments of the Company and the management and measurement of the exposure have not changed.

a) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets at the end of the period are set out in Note 33.

Sensitivity analysis

The Company is mainly exposed to the USD and RMB.

The following table shows the sensitivity analysis of the Company when the exchange rate of the New Taiwan dollar to the relevant foreign currency increases and decreases by 5%. The 5% sensitivity rate is used for reporting currency risk to key management personnel of the Company; the management believes it is the reasonably acceptable range of fluctuation of foreign currency rate. The positive (negative) amounts on the table below indicate an increase (decrease) in pre-tax income and equity amount when the New Taiwan dollar weakens (strengthens) by 5% relative to the relevant currency.

	USD Impact For the Year Ended December 31		**RMB Impact For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ (37)	$ (16)	$ (375)	$ (375)

The above analysis included cash in banks and financial assets at amortized cost denominated in USD and RMB which are outstanding at the end of the reporting period.

b) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Cash flow interest rate risk		
Financial assets	$ 361,722	$ 331,482
Financial liabilities	1,509,780	1,862,793

Sensitivity analysis

The following sensitivity analysis shows the effect of a 25 basis points change in interest rates of non-derivative instruments at the balance sheet date. The 25 basis points sensitivity is used in internal reports to key management personnel; it represents the reasonably possible change in interest rates acceptable to the management.

Had interest rates increased/decreased by 25 basis points, the profit before tax in 2023 and 2022 would have decreased/increased by $2,870 thousand and $3,828 thousand, respectively, with all other variables held constant; the non-derivative instruments include floating rate loan, demand deposit, time deposit and restricted asset.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company’s maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation could be equal to the total assets shown on the balance sheets.

The policy of the Company is to only trade with counterparties with high reputation, and to require sufficient guarantee to reduce the financial loss from default.

As of December 31, 2023 and 2022, receivable accounts that each has a balance that represents 5% or higher of total receivables, when accumulated account for 58.03% and 44.35%, respectively, of total receivables.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Company’s operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. The Company had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk table

The following table details the Company’s remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company is required to pay.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 182,575	$ 221,448	$ 46,460	$ 1,010	$ 14,400
Lease liabilities	7,426	1,838	27,649	89,157	9,216
Variable interest rate liabilities	109,928	549,852	212,500	637,500	-
	$ 299,929	$ 773,138	$ 286,609	$ 727,667	$ 23,616

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 115,523	$ 138,963	$ 137,523	$ 257	$ 15,200
Lease liabilities	7,739	2,539	26,972	59,324	-
Variable interest rate liabilities	129,948	599,645	533,200	600,000	-
	$ 253,210	$ 741,147	$ 697,695	$ 659,581	$ 15,200

b) Financing facilities

	December 31 2023	December 31 2022
Unsecured facilities		
Amount used	$ 460,000	$ 650,452
Amount unused	542,115	336,648
	$ 1,002,115	$ 987,100
Secured facilities		
Amount used	$ 1,050,000	$ 1,233,200
Amount unused	799,249	506,800
	$ 1,849,249	$ 1,740,000

29. TRANSACTIONS WITH RELATED PARTIES

a. Related parties

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows:

Related Party Name	Related Party Category
Subsidiary	
Dasheng Enterprise	Subsidiary of the Company
Luckicon Ready-mixed Co.	Subsidiary of the Company
Lucky Cement Japan	Subsidiary of the Company
Luckyship Co.	Subsidiary of the Company
Fuyu Development Co., Ltd. (“Fuyu Development”)	Subsidiary of Luckicon Ready-mixed Co.
Other related party	
Yung-Sheng Development Enterprise Co., Ltd. (“Yung-Sheng Development”)	The chairman is also the chairman of the Company
Liang-Chuan Cultural and Educational Foundation (“Liang-Chuan Foundation”)	The chairman is also the chairman of the Company
Fudong Freight Co., Ltd. (“Fudong Freight”)	The chairman is first-degree relative of the chairman of the Company
East Life Biotech Co., Ltd. (“East Life Biotech”)	The chairman is also the chairman of the Company

(Continued)

Related Party Name	Related Party Category
Jia Fu Entertainment Co., Ltd. ("Jia Fu Entertainment")	The chairman is first-degree relative of the chairman of the Company
Wantong Property Insurance Brokers Co., Ltd. ("Wantong Property Insurance")	The chairman is first-degree relative of the chairman of the Company
Lucky Construction Co., Ltd. ("Lucky Construction")	The chairman is first-degree relative of the chairman of the Company
Kuochuan Development Co., Ltd. ("Kuochuan Development")	The chairman is first-degree relative of the chairman of the Company
Changheng Investment Co. ("Changheng Investment")	The company is major shareholder of the Company
Jinli Investment Co., Ltd. ("Jinli Investment")	The company is major shareholder of the Company
Fuan Mining Co., Ltd. ("Fuan Mining")	A manger in the company is spouse of a first-degree relative of the chairman of the Company

(Concluded)

b. Business transactions

Line Items	Related Party Category/Name	For the Year Ended December 31 2023	2022
Sale of goods	Luckicon Ready-mixed Co.	$ 576,261	$ 446,278
	Other related parties	173	90
		$ 576,434	$ 446,368
Purchases of goods	Fuan Mining	$ 336,298	$ 135,515
	Subsidiary	1,848	2,156
	Other related parties	31,318	26,704
		$ 369,464	$ 164,375
Operating costs - transportation expenses	Other related parties	$ 13,024	9,572
Operating costs - manufacturing expenses	Subsidiary	$ -	$ 21
	Other related parties	169	181
		$ 169	$ 202
Operating expenses	Other related parties	$ 2,414	$ 4,381
Non-operating income - other revenue	Fuyu Development	$ 1,200	$ 1,200

The prices of purchases and sales between the Company and related parties are negotiated separately, and the period of receipt and payment is comparable to that of non-related parties.

c. Receivables from related parties

Line Items	Related Party Category/Name	December 31 2023	December 31 2022
Notes receivable	Luckicon Ready-mixed Co.	$ 56,194	$ 35,384
Trade receivables	Luckicon Ready-mixed Co.	$ 46,380	$ 55,020
	Other related parties	181	-
		$ 46,561	$ 55,020
Other receivables - current (excluding loan from related parties)	Subsidiary	$ 153	$ 301
	Other related parties	9	10
		$ 162	$ 311

The outstanding trade receivables from related parties are unsecured. As of December 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

d. Payables to related parties

Line Items	Related Party Category/Name	December 31 2023	December 31 2022
Notes payable	Fuan Mining	$ 61,225	$ 21,605
	Fudong Freight	4,011	3,685
	Other related parties	-	21
	Subsidiary	-	453
		$ 65,236	$ 25,764
Trade payables	Fuan Mining	$ 36,067	$ 18,147
	Fudong Freight	4,569	4,242
		$ 40,636	$ 22,389
Other payables	Subsidiary	$ 706	$ 655
	Other related parties	1,448	2,279
		$ 2,154	$ 2,934

The outstanding trade payables to related parties are unsecured.

e. Contract liabilities

Related Party Name	December 31 2023	December 31 2022
Subsidiary	$ 12,592	$ 15,049

f. Lease arrangements

Related Party Category/Name	For the Year Ended December 31 2023	2022
Acquisition of right-to-use assets		
Jia Fu Entertainment	$ 10,162	$ -

Line Item	Related Party Name	December 31 2023	2022
Lease liabilities - current	Jia Fu Entertainment	$ 399	$ -
Lease liabilities - non-current	Jia Fu Entertainment	$ 9,535	$ -

Related Party Name	For the Year Ended December 31 2023	2022
Interest expense		
Jia Fu Entertainment	$ 130	$ -

The Company leased right-of-use of land from its related parties in 2023. The lease term was 20 years; the rental is negotiated and fixed lease payments are paid monthly.

g. Lease arrangements

Lease arrangements - the Company is lessor under operating leases

Future lease payment receivables are as follows:

Related Party Category/Name	December 31 2023	2022
Fuyu Development	$ 8,820	$ 8,064
Subsidiary	2,815	3,319
Fudong Freight	2,540	3,164
Other related parties	432	144
	$ 14,607	$ 14,691

Lease income was as follows:

Related Party Category/Name	For the Year Ended December 31 2023	2022
Fuyu Development	$ 9,750	$ 8,212
Subsidiary	1,891	1,891
Fudong Freight	1,344	1,344
Other related parties	144	144
	$ 13,129	$ 11,591

The rental amounts and collection methods are equivalent to the general lease transaction.

h. Loans from related parties (including interest receivable)

Line Item	Related Party Name	December 31 2023	December 31 2022
Other receivables related parties	Dasheng Enterprise	$ 120,227	$ 76,061
	Luckicon Ready-mixed Co.	-	258,403
		$ 120,227	$ 334,464

Line Item	Related Party Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Interest revenue	Dasheng Enterprise	$ 2,175	$ 311
	Luckicon Ready-mixed Co.	1,246	2,187
		$ 3,421	$ 2,498

The Company provides loans to its subsidiaries. The interest rate ranges were 1.84%-2.28% and 1.41%-1.84% in 2023 and 2022, respectively.

i. Endorsement guarantee

	Related Party Name	December 31 2023	December 31 2022
Endorsement guarantee for others	Subsidiary	$ 1,856,516	$ 1,340,910

The company make endorsement or guarantees for the subsidiary, refer to Note 34 and Table 2.

j. Compensation of key management personnel

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Short-term employee benefits	$ 50,557	$ 55,993
Post-employment benefits	334	394
	$ 50,891	$ 56,387

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets of the Company are pledged as collateral for long-term and short-term bank loans and other credit accommodation:

	December 31	
	2023	2022
Property, plant and equipment	$ 1,089,805	$ 721,321
Restricted assets (reported as financial assets at amortized cost - current)	179,196	209,145
	$ 1,269,001	$ 930,466

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Significant Commitment

a. As of December 31, 2023 and 2022, the Company signed a contract for purchase of property, plant and equipment; the unpaid amounts were $1,669 thousand and $26,304 thousand, respectively.

b. As of December 31, 2023 and 2022, unused letters of credit for purchases of raw materials amounted to approximately $0 thousand and $20,452 thousand, respectively.

32. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currency of the Company and the related exchange rates between foreign currencies and functional currency were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 24	30.705 (USD:NTD)	$ 748
RMB	1,735	4.3270 (RMB:NTD)	7,507
JPY	26	0.2172 (JPY:NTD)	6
Non-monetary items - investments accounted for using equity method			
JPY	34,153	0.2172 (JPY:NTD)	7,418

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 11	30.71 (USD:NTD)	$ 326
RMB	1,709	4.3920 (RMB:NTD)	7,507
JPY	26	0.2324 (JPY:NTD)	6
Non-monetary items - investments accounted for using equity method			
JPY	75,723	0.2324 (JPY:NTD)	17,598

Foreign exchange losses (realized or unrealized) of the Company in 2023 and 2022 are respectively $1,181 thousand and $1,082 thousand. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

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

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

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

9) Trading in derivative instruments: None.

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: None.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: None.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: None.

c) The amount of property transactions and the amount of the resultant gains or losses: None.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 7)

LUCKY CEMENT CO.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guarantee by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Lucky Cement Co.	Dasheng Enterprise	Subsidiary	$ 2,028,303	$ 580,000	$ 580,000	$ 430,000	$ -	11.44	$ 2,535,379	Y	-	-	
		Luckicon Ready-Mixed Co.	Subsidiary	2,028,303	1,270,000	1,270,000	710,000	-	25.05	2,535,379	Y	-	-	
		Lucky Cement Japan	Subsidiary	2,028,303	11,545	6,516	-	-	0.13	2,535,379	Y	-	-	
						$ 1,856,516								

Note 1: The upper limit that Lucky Cement Co. endorses for single company shall not exceed 10% of the net value of Lucky Cement Co. and shall not exceed 40% of the net value of subsidiary.

Note 2: The endorsement approved in the meeting of shareholders shall not exceed 50% of the net value of Lucky Cement Co.

TABLE 3

LUCKY CEMENT CO.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value (Notes 1 and 2)	
Lucky Cement Co.	Mutual fund							
	O-Bank No. 1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	100,000	$ 803	-	$ 803	
	Yuanta Japan Leaders Equity Fund	-	Financial assets at FVTPL - current	511,248	5,112	-	5,112	
	Taishin Flexible Income Fund	-	Financial assets at FVTPL - current	500,000	5,007	-	5,007	
	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,494,708	10,254	10.58	10,254	
	Listed ordinary shares							
	Yang Ming Marine Transport Corp.	-	Financial assets at FVTOCI - current	400,000	20,520	0.01	20,520	
	Formosa Plastics Corporation	-	Financial assets at FVTOCI - current	300,000	23,760	-	23,760	
	Asia Cement Corporation	-	Financial assets at FVTOCI - current	165,000	6,839	-	6,839	
	Far Eastern New Century Corporation	-	Financial assets at FVTOCI - current	200,000	6,240	-	6,240	
	Taiwan Cement Corp.	-	Financial assets at FVTOCI - current	335,640	11,697	-	11,697	
	U-Ming Marine Transport Corporation	-	Financial assets at FVTOCI - current	78,000	4,064	0.01	4,064	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	72,351	3,806	-	3,806	
	Winbond Electronics Corp.	-	Financial assets at FVTOCI - current	130,181	3,964	-	3,964	
	Medigen Biotechnology Corporation	-	Financial assets at FVTOCI - current	28,628	1,282	0.02	1,282	
	Sanitar Co., Ltd.	-	Financial assets at FVTOCI - current	24,000	886	0.03	886	
	China Development Financial	-	Financial assets at FVTOCI - current	13,496	169	-	169	
	First Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	972	27	-	27	
	Capital Securities Corp.	-	Financial assets at FVTOCI - current	875	14	-	14	
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTOCI - current	472	11	-	11	
Luckyship Co.	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	49,006	336	0.35	336	

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds at the end of the year.

Note 2: Financial assets at FVTOCI: Fair value of listed shares is based on their closing price at the end of the year. Fair value of non-listed shares is estimated by the fair value method.

TABLE 4

LUCKY CEMENT CO.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total (Note)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note)	
Lucky Cement Co.	Luckicon Ready-mixed Co.	Subsidiary	Sale	$ (576,261)	(15.37)	About 90 days	Similar to general transactions	Similar to general transactions	Accounts receivable $ 46,380 Notes receivable 56,194	7.50 9.09	
	Fuan Mining Co., Ltd.	Other related parties	Purchase	336,298	20.69	About 90 days	Agreed	Similar to general transactions	Trade payables (36,067) Notes payable (61,225)	(9.51) (16.15)	

Note: The rate is calculated in accordance with individual financial statements of each company.

TABLE 5

LUCKY CEMENT CO.

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate (Note 1)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
Lucky Cement Co.	Luckicon Ready-mixed Co.	Subsidiary	Notes receivable and accounts	$ 102,574	5.97	$ -	-	$ 102,574	$ -
			Other receivable	148	-	-	-	148	-
	Dasheng Enterprise	Subsidiary	Other receivable	120,228 (Note 2)	-	-	-	228	-

Note 1: The rate is calculated in accordance with individual financial statements of each company.

Note 2: Of this amount, $120,000 thousand is the financing of its funds and $228 thousand is the interest receivable and the receivable payment.

TABLE 6

LUCKY CEMENT CO.

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Address	Main Businesses and Products	Original Investment Amount (Note 2)		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized (Note 1)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership	Carrying Value			
Lucky Cement Co.	Dasheng Enterprise	14F., No.237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Sale and lease of real estate	$ 2,367,473	$ 2,367,473	171,452,511	99.99	$ 2,553,919	$ (119,673)	$ (119,669)	
	Luckicon Ready-mixed Co.	No. 191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Manufacturing and trading of ready-mixed concrete	350,000	350,000	57,340,000	100.00	923,671	177,665	177,721 (Note 3)	
	Lucky Cement Corp., Japan	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	82,300	82,300	6,800	100.00	7,418	(9,233)	(9,233)	
	Luckyship Marine Co.	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping agent	88,615	88,615	2,000,000	100.00	18,129	(4,575)	(4,580) (Note 4)	
Luckicon Ready-mixed Co.	Fuyu Development Company	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	On land clay and stone quarrying	12,571	12,571	1,000,000	100.00	8,042	2,668	2,668	

Note 1: The amounts were calculated based on the audited financial statements.

Note 2: The original investment amount includes capital reduction for cover accumulated deficits in prior years.

Note 3: The difference is transactions realized gain of $56 thousand.

Note 4: The difference is transactions unrealized gain of $5 thousand.

TABLE 7

LUCKY CEMENT CO.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Changheng Investment Co.	52,631,034	13.00
East Life Biotech Co.	30,378,008	7.50
Jinli Investment Co.	25,230,451	6.23
RI KON Construction Co.	22,658,066	5.59
Yung-Sheng Development Enterprise Co.	22,514,509	5.56
Lucky Construction Co.	22,091,152	5.45

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

LUCKY CEMENT CO.

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LUCKY CEMENT CO.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Excluding Unit Price)

Item	Unit	Acquisition Costs	Unit Price	Amount
Mutual fund				
O-Bank No. 1 Real Estate Investment Trust	100,000	$ 1,000	8.03	$ 803
Yuanta Japan Leaders Equity Fund	511,248	5,000	10.00	5,112
Taishin Flexible Income Fund	500,000	5,015	10.0136	5,007
		$ 11,015		$ 10,922

STATEMENT 2

LUCKY CEMENT CO.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT
DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Name of Financial Instrument	Summarize	Shares	Par Value (NT$)	Amount	Rate (%)	Acquisition Costs	Fair Value (Note) Unit Price	Fair Value (Note) Total Amount	Note
Listed shares and emerging market shares									
YangMing Marine Transport Corp.	-	400,000	10	$ 4,000	-	$ 56,431	51.30	$ 20,520	None
Formosa Plastics Corporation	-	300,000	10	3,000	-	23,954	79.20	23,760	None
Asia Cement Corporation	-	165,000	10	1,650	-	7,963	41.45	6,839	None
Far Eastern New Century Corporation	-	200,000	10	2,000	-	6,324	31.20	6,240	None
Taiwan Cement Corp.	-	335,640	10	3,356	-	13,948	34.85	11,697	None
U-Ming Marine Transport Corporation	-	78,000	10	780	-	2,474	52.10	4,064	None
United Microelectronics Corporation	-	72,351	10	724	-	4,371	52.60	3,806	None
Winbond Electronics Corp.	-	130,181	10	1,302	-	5,205	30.45	3,964	None
Medigen Biotechnology Corporation	-	28,628	10	286	-	509	44.80	1,282	None
Sanitar Co., Ltd.	-	24,000	10	240	-	767	36.90	886	None
China Development Financial	-	13,496	10	135	-	135	12.55	169	None
First Financial Holding Co., Ltd.	-	972	10	9	-	20	27.40	27	None
Capital Securities Corp.	-	875	10	9	-	12	16.35	14	None
Hua Nan Financial Holdings Co., Ltd.	-	472	10	5	-	8	22.35	11	None
				$ 17,496		$ 122,121		$ 83,279	

Note: The above fair value are calculated on the basis of the closing price of stocks at the end of the year.

LUCKY CEMENT CO.

STATEMENT OF NOTES RECEIVABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Lihtai Construction Enterprise Co., Ltd	$ 111,878
Sinon Corp.	52,731
Qinghuang Cement Co., Ltd.	40,805
Fu Hsun Material Co., Ltd.	29,190
Goldsun Building Materials Co., Ltd	26,377
Ding Xing building materials business Ltd.	22,278
Others (Note)	141,359
	$ 424,618

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 4

LUCKY CEMENT CO.

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Ruentex Materials Co., Ltd	$ 15,764
Ding Xing building materials business Ltd.	10,736
Earth Power Construction Co., Ltd	10,217
Taiwan Semiconductor Manufacturing Company Limited	6,958
Lianxiang Environmentally Friendly Vehicle Transportation	5,448
Yu Ding Building Materials Co., Ltd.	5,395
Shyeh Sheng Fuat Steel & Iron Works Co., Ltd.	5,110
E-Top Metal Co., Ltd.	4,999
Goldsun Building Materials Co., Ltd	4,942
Jiyun Sand & Gravel Co., Ltd.	4,927
Others (Note)	16,568
Less: Allowance for losses	(269)
	$ 90,795

Note: The amount of individual client included in others does not exceed 5% of the account balance.

LUCKY CEMENT CO.

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net Realizable Value
Finished goods		
Cement	$ 103,713	$ 152,314
Sand and stone	3,902	4,617
Hearthstone powder	9,115	8,992
Calcium oxide	7,472	8,660
	124,202	174,583
Work in progress		
Raw material	1,580	4,019
Worked material	44,402	58,894
	45,982	62,913
Raw materials		
Limestone	195,296	583,793
Cinder block	145,447	146,761
Silica sand and clay	9,994	14,795
Gypsum	6,943	6,799
Dregs of iron	417	422
Hearthstone	7,347	7,225
Mineral fines	43	43
	365,487	759,838
Repair parts and materials	183,254	170,795
	718,925	$ 1,168,129
Less: Allowance for losses on decline in value of inventories and obsolescence	(12,848)	
	$ 706,077	

Note: Inventories are evaluated at the lower of cost or net realizable value. Inventory write-downs are made by item. Net realizable value is the estimated selling prices of inventories less all estimated costs of completion and estimated costs necessary to make the sale. Inventories are recorded at average cost.

LUCKY CEMENT CO.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Excluding Shares)

Investee Company	Balance at January 1, 2023		Increase During the Year		Decrease During the Year		Balance at December 31, 2023		Provision of Guarantee or Pledge	Note
	Shares	Fair Value	Shares	Fair Value	Shares	Amounts (Note 2)	Shares	Fair Value (Note 3)		
Domestic and foreign unlisted ordinary shares										
Joufeng Mining Co., Ltd	1,283,068	$ 9,097	211,640	$ 2,117	-	$ 960	1,494,708	$ 10,254	None	None

Note 1: Increase in amount resulted from issuance of ordinary shares for cash.

Note 2: Decrease in amount resulted from recognition of unrealized losses.

Note 3: Unlisted (over the counter) stocks are estimated market prices based on the fair value evaluation method.

LUCKY CEMENT CO.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollar, Excluding Shares)

	Balance at January 1, 2023		Increase		Decrease		Share of (Loss) Income of Subsidiaries Recognized under the Equity Method	Exchange Differences on Translation of Financial Statements of Foreign Operating Organizations	Unrealized Financial Assets at Fair Value through Other Compre-hensive Income and Loss	Balance at December 31, 2023				
	Shares	Amount	Shares	Amount	Shares	Amount				Shares	Shareholding (%)	Amount	Net Equity	Note
Dasheng Enterprise	157,296	$ 2,673,588	14,157	$ -	-	$ -	$ (119,669)	$ -	$ -	171,453	99.99	$ 2,553,919	$ 2,553,919	Notes 1 and 2
Luckicon Ready-mixed Co.	47,000	745,950	10,340	-	-	-	177,721	-	-	57,340	100.00	923,671	924,122	Notes 1, 2 and 3
Lucky Cement Japan	7	17,598	-	-	-	-	(9,233)	(947)	-	7	100.00	7,418	7,418	Note 1
Luckyship Co.	2,000	22,740	-	-	-	-	(4,580)	-	(31)	2,000	100.00	18,129	18,129	Note 1
		$ 3,459,876		$ -		$ -	$ 44,239	$ (947)	$ (31)			$ 3,503,137	$ 3,503,588	

Note 1: Based on the investee's audited financial statements.

Note 2: The increase in this year is due to the distribution of stock dividends by the invested company.

Note 3: The difference between net equity:

Luckicon Ready-Mixed Co.: The unrealized gain resulting from upstream transactions is $451 thousand.

STATEMENT 8

LUCKY CEMENT CO.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance at January 1, 2023	Increase During the Year	Decrease During the Year	Balance at December 31, 2023	Note
Land	$ 38,437	$ 19,104	$ (7,327)	$ 50,214	-
Buildings	148,141	55,623	(53,425)	150,339	-
Transportation equipment	1,137	628	(1,137)	628	-
	$ 187,715	$ 75,355	$ (61,889)	$ 201,181	

STATEMENT 9

LUCKY CEMENT CO.

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance at January 1, 2023	Increase During the Year	Decrease During the Year	Balance at December 31, 2023	Note
Land	$ 10,539	$ 11,927	$ (7,327)	$ 15,139	-
Buildings	82,846	28,332	(53,425)	57,753	-
Transportation equipment	1,089	335	(1,137)	287	-
	$ 94,474	$ 40,594	$ (61,889)	$ 73,179	

LUCKY CEMENT CO.

STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance	Annual Interest Rate (%)	Borrowing Period	Provision of Guarantee or Pledge	Amount of Financing
Short-term borrowing					
Secured borrowing					
Bank of Taiwan	$ 200,000	1.90	2023.12.01-2024.02.26	Land and buildings	$ 200,000
Unsecured borrowing					
Bank SinoPac	100,000	1.90	2023.11.17-2024.02.16	None	100,000
KGI Bank	200,000	1.89	2023.11.17-2024.02.16	None	200,000
	$ 500,000				

Note: The information relating to assets pledged is set out in Note 30.

LUCKY CEMENT CO.

STATEMENT OF SHORT-TERM BILLS PAYABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Guarantee or Acceptance Institutions	Period	Annual Discount Rate (%)	Amount			Mortgage or Guarantee
			Issue Amount	Unamortized Coupon Discount	Book Value	
Commercial paper payable						
Grand Bills Finance Corporation	2023.12.29-2024.02.27	1.90	$ 50,000	$ 148	$ 49,852	-
China Bills Finance Corporation	2023.11.27-2024.01.26	1.89	30,000	39	29,961	-
Mega Bills Finance Corporation	2023.11.10-2024.01.09	1.90	80,000	33	79,967	-
			$ 160,000	$ 220	$ 159,780	

STATEMENT 12

LUCKY CEMENT CO.

STATEMENT OF NOTE PAYABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Taiwan Cement Co	$ 27,720
Asia Cement Corporation	22,176
Ching Yang Railway Machinery Co., Ltd.	21,663
Foxconn Global Network Corporation	10,007
Others (Note)	87,860
	$ 169,426

Note: The amount of individual client included in others does not exceed 5% of the account balance.

LUCKY CEMENT CO.

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Taiwan Cement Co	$ 16,632
Leezen Company Ltd	8,153
Ruentex Materials Co., Ltd	7,964
Chiu Yeung Transportation Co.	4,484
Others (Note)	66,620
	$ 103,853

Note: The amount of individual client included in others does not exceed 5% of the account balance.

STATEMENT 14

LUCKY CEMENT CO.

STATEMENT OF CONTRACT LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Lihtai Construction Enterprise Co., Ltd	$ 71,194
Qinghuang Cement Co., Ltd.	34,425
Sinon Corp.	16,985
Others (Note)	148,804
	$ 271,408

Note: The amount of individual client included in others does not exceed 5% of the account balance.

LUCKY CEMENT CO.

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Summaries	Lease Period	Discount Rate	Balance at December 31, 2023	Note
Land	Land for business operation, etc.	2020/01-2043/12	1.55%-2.22%	$ 34,172	-
Buildings	Business premises, etc.	2021/07-2029/09	1.55%-2.00%	94,268	-
Transportation equipment	Official cars, etc.	2023/02-2025/02	2.03%	343	-
				128,783	
Less: Current portion				(34,864)	
				$ 93,919	

LUCKY CEMENT CO.

STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Type of Borrowing	Debenture Bank	Reimbursement	Annual Interest Rate (%)	Balance at December 31, 2023 Current Portion	Expired After A Year	Total	Prime Collateral (Note)
Secured Borrowing	Taiwan Cooperative Bank	The period was from October 5, 2022 to January 12, 2027 and the principal was repaid in quarterly installments beginning in April 2024	2.25	$ 150,000	$ 450,000	$ 600,000	Land and building
	Bank of Taiwan	The period is from April 17, 2023 to April 17, 2026 and the principal is repayable in quarterly installments beginning in July 2024	2.21	62,500	187,500	250,000	Land and building
				$ 212,500	$ 637,500	$ 850,000	

Note: The information relating to assets pledged is set out in Note 30.

STATEMENT 17

LUCKY CEMENT CO.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Quantity (Tons)	Amount
Cement	843,332	$ 2,461,618
Stone	1,505,870	743,780
Hobnail	87,972	138,448
Others		406,986
Total sales revenue		3,750,832
Less: Sales discount		(907)
Net sales revenue		$ 3,749,925

STATEMENT 18

LUCKY CEMENT CO.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials at January 1, 2023	$ 313,619
Current year's feed	1,063,038
Raw materials at December 31, 2023	(365,221)
Raw material consumption	1,011,436
Direct labor	37,248
Manufacturing overhead	793,609
Manufacturing cost	1,842,293
Work in progress at January 1, 2023	94,459
Purchase of work in progress	32,041
Work in progress at December 31, 2023	(45,982)
Cost of finished goods	1,922,811
Finished goods at January 1, 2023	115,900
Purchase of finished goods	530,191
Finished goods at December 31, 2023	(124,079)
	2,444,823
Packaging cost	78,157
Goods tax	111,009
Transportation cost	396,193
Cost of goods sold	$ 3,030,182

LUCKY CEMENT CO.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Marketing Fee	Management Fee	Total
Salary expenses	$ 26,145	$ 84,646	$ 110,791
Depreciation expense	39,105	3,882	42,987
Repair fee	9,046	4,194	13,240
Electricity, water and gas bills	9,493	1,106	10,599
Others (Note)	15,038	41,253	56,291
	$ 98,827	$ 135,081	$ 233,908

Note: The amount of individual item included in others does not exceed 5% of the account balance.

LUCKY CEMENT CO.

STATEMENT OF LABOR, DEPRECIATION, DEPLETION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	The Year of 2023				The Year of 2022			
Item	Attributable to Operating Costs	Operating Expenses	Non-operating Expenses	Total	Attributable to Operating Costs	Operating Expenses	Non-operating Expenses	Total
Employee benefit expenses								
Salary costs	$ 163,477	$ 68,386	$ -	$ 231,863	$ 153,115	$ 82,850	$ -	$ 235,965
Labor and health insurance fees	16,778	8,220	-	24,998	15,318	7,677	-	22,995
Pension costs	6,795	3,204	-	9,999	6,460	2,975	-	9,435
Directors' remuneration	-	39,201	-	39,201	-	41,394	-	41,394
Other employee benefit expenses	12,140	4,855	-	16,995	11,759	4,651	-	16,410
	$ 199,190	$ 123,866	$ -	$ 323,056	$ 186,652	$ 139,547	$ -	$ 326,199
Depreciation expense	$ 92,785	$ 42,987	$ 2,292	$ 138,064	$ 87,671	$ 42,767	$ 1,866	$ 132,304
Amortization expense	$ 15,069	$ 1,464	$ -	$ 16,533	$ 14,876	$ 2,297	$ -	$ 17,173
Depletion expense	$ 2	$ -	$ -	$ 2	$ 2	$ -	$ -	$ 2

Note 1: As of December 31, 2023 and 2022, the Company had 410 and 392 employees, respectively, of which 5 directors were not employees.

Note 2: For companies have been listed on the Taiwan stock exchange or are traded on the Taipei Exchange, the following information should be disclosed:

a. Average labor costs for the years ended December 31, 2023 and 2022 were $701 thousand and $736 thousand, respectively.

b. Average salary and bonus for the years ended December 31, 2023 and 2022 were $573 thousand and $610 thousand, respectively.

c. The average salary and bonus decreased by 6% year over year.

d. The Company has an audit committee consisting of all independent directors in lieu of supervisors, so there is no remuneration for supervisors.

e. The Company's compensation policies of directors, managers and employees are as follows:

1) Directors

a) According to Article 32 of the Company's Articles of Association, directors of the Company may receive remuneration on a monthly basis based on the industry standards, regardless of profit or loss. In addition, shareholders or directors of the Company who serve as managers or employees will be treated as ordinary employees and receive the salary.

b) Transportation allowances paid to independent directors, who serving as members of the remuneration committee.

c) Transportation allowances paid to independent directors, who serving as members of the audit committee.

d) The Articles 30 of the Company stipulates that the remuneration for directors shall not be more than 5.0% of profit of the next year. The proposal for the distribution of remuneration to directors shall be reported to the shareholders' meeting. If the Company makes a profit or there is no balance of profit after deducting accumulated losses to be distributed to employees or directors, it is not required to be reported to the Board of Directors and the shareholders' meeting.

e) Distribution of remuneration to directors should be approved by the Remuneration Committee.

2) Managers and employees

a) The Company's compensation policy for managers and employees is based on the Company's overall operating performance, profitability, financial condition, and contributions to various duties, and other related factors, that designed to provide fair and reasonable compensation to managers and employees based on their performance. The Company makes timely reference to the salary market level and salary dynamics, and appropriately adjust or promote the salary through annual personal performance appraisal in order to retain excellent talents.

b) The remuneration of managers and employees comprises fixed salary, performance bonus. The Articles 30 stipulates that if a profit is made in the year, 3.0% shall be set aside for the compensation of employees. The distribution of employee compensation and director remuneration shall be approved by a resolution of the Board of Directors with the attendance of two-thirds or more of the directors and the consent of a majority of the attending directors, and shall be reported to the shareholders' meeting.

c) Distribution of remuneration to directors for manager should be approved by the Remuneration Committee.

V. 2023 Consolidated Financial Statements

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Lucky Cement Co.

Opinion

We have audited the accompanying consolidated financial statements of Lucky Cement Co. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements")

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant 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 for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The descriptions of the key audit matters of the consolidated financial statements for the year ended December 31, 2023 are as follows:

Occurrence of Sales Revenue from Key Customers

The Group's sales revenue mainly comes from sales of cement, stone materials and other cement products. The sales revenue from key customers, new major customers or major customers with higher sales revenue increased in 2023, which amounted to NT$760,937 thousand, or 15% of the total sales revenue in 2023. The amount of sales revenue from key customers has a significant impact on the consolidated financial statements. Therefore, we deemed the occurrence of sales a key audit matter.

Refer to Note 4(j) to the consolidated financial statements for accounting policies on revenue recognition and Note 24(a) for the disclosures related to operating revenue.

Our key audit procedures performed in respect of the above area included the following:

1. We obtained an understanding of the internal control procedures over the sales revenue and assessed the design and effectiveness of the implementation of internal controls.

2. We obtained the summary of sales to the key customers for the year, tested the completeness of the summary, selected samples from the summary, examined supporting documents, and verified the occurrence of sales.

Other Matter

We have also audited the parent company only financial statements of Lucky Cement Co. as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 maintain 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 and 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 for the year ended December 31, 2023 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.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Mei Chen and Chiang-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 26, 2024

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Notes 4 and 6)	$ 283,737	3	$ 269,974	3
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	10,922	-	53,622	1
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	83,279	1	123,952	1
Financial assets at amortized cost - current (Notes 4, 9 and 32)	64,727	1	119,254	1
Notes receivable (Notes 4, 10, 24 and 32)	493,136	5	432,925	4
Accounts receivable (Notes 4, 10 and 24)	686,567	7	561,838	6
Accounts receivable from related parties (Notes 4, 24 and 31)	12,234	-	11,724	-
Other receivables (Notes 4 and 10)	354	-	1,454	-
Other receivables from related parties (Notes 4 and 31)	311	-	251	-
Current tax assets (Note 26)	-	-	185	-
Inventories (Notes 4, 5, 11 and 32)	4,195,260	42	4,065,041	42
Prepayments (Note 13)	94,961	1	253,376	3
Other current assets (Note 14)	30,342	-	26,214	-
Total current assets	5,955,830	60	5,919,810	61
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	10,590	-	9,395	-
Financial assets at amortized cost - non-current (Notes 4, 9 and 32)	179,196	2	179,145	2
Property, plant and equipment (Notes 4, 15 and 32)	3,415,001	34	3,023,515	31
Right-of-use assets (Notes 4, 16 and 31)	154,227	1	131,029	2
Deferred tax assets (Notes 4 and 26)	68,160	1	60,643	1
Refundable deposits	24,046	-	17,821	-
Other non-current assets (Notes 4, 17 and 21)	162,823	2	320,513	3
Total non-current assets	4,014,043	40	3,742,061	39
TOTAL	$ 9,969,873	100	$ 9,661,871	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 32)	$ 979,500	10	$ 1,478,200	15
Short-term bills payable (Notes 18 and 32)	359,277	4	409,296	4
Contract liabilities (Note 24)	520,859	5	549,189	6
Notes payable (Note 19)	390,153	4	239,715	3
Notes payable to related parties (Notes 19 and 31)	66,780	1	26,828	-
Accounts payable (Note 19)	189,227	2	221,143	2
Accounts payable to related parties (Notes 19 and 31)	42,300	-	25,017	-
Other payables (Note 20)	215,106	2	190,841	2
Other payables to related parties (Note 31)	132,920	1	99,444	1
Current tax liabilities (Note 26)	137,356	1	95,718	1
Lease liabilities - current (Notes 4, 16 and 31)	49,722	1	50,788	1
Current portion of long-term borrowings (Notes 18 and 32)	212,500	2	100,000	1
Other current liabilities	2,028	-	2,352	-
Total current liabilities	3,297,728	33	3,488,531	36
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 32)	1,357,500	14	1,060,000	11
Deferred tax liabilities (Notes 4 and 26)	24,672	-	22,422	-
Lease liabilities - non-current (Notes 4, 16 and 31)	105,834	1	81,668	1
Other payables to related parties (Note 31)	40,000	-	40,000	1
Net defined benefit liabilities (Notes 4 and 21)	24,634	-	24,421	-
Guarantee deposits received	48,680	1	39,040	-
Total non-current liabilities	1,601,320	16	1,267,551	13
Total liabilities	4,899,048	49	4,756,082	49
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital				
Ordinary shares	4,047,380	40	4,047,380	42
Capital surplus	18	-	18	-
Retained earnings				
Legal reserve	297,577	3	238,244	3
Special reserve	91,055	1	14,908	-
Unappropriated earnings	671,401	7	696,224	7
Total retained earnings	1,060,033	11	949,376	10
Other equity	(36,673)	-	(91,055)	(1)
Total equity attributable to owners of the Company	5,070,758	51	4,905,719	51
NON-CONTROLLING INTERESTS (Note 23)	67	-	70	-
Total equity	5,070,825	51	4,905,789	51
TOTAL	$ 9,969,873	100	$ 9,661,871	100

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 24 and 31)				
Sales	$ 5,100,194	100	$ 4,152,720	100
Less: Discounts and allowances	(5,451)	-	(3,467)	-
Total operating revenue	5,094,743	100	4,149,253	100
OPERATING COSTS (Notes 11, 25 and 31)	4,211,831	83	3,158,473	76
GROSS PROFIT	882,912	17	990,780	24
OPERATING EXPENSES (Notes 10, 25 and 31)				
Selling and marketing expenses	114,730	2	109,743	3
General and administrative expenses	160,844	3	166,109	4
Expected credit (gain) loss	(2,695)	-	3,952	-
Total operating expenses	272,879	5	279,804	7
OTHER OPERATING INCOME AND EXPENSES (Note 25)	2,328	-	453	-
PROFIT FROM OPERATIONS	612,361	12	711,429	17
NON-OPERATING INCOME AND EXPENSES (Notes 15, 25 and 31)				
Interest income	3,800	-	2,268	-
Other income	85,315	2	53,827	2
Other gains and losses	15,313	-	(35,444)	(1)
Finance costs	(57,039)	(1)	(44,058)	(1)
Total non-operating income and expenses	47,389	1	(23,407)	-
PROFIT BEFORE INCOME TAX	659,750	13	688,022	17
INCOME TAX EXPENSE (Notes 4 and 26)	(132,614)	(2)	(106,801)	(3)
NET PROFIT FOR THE YEAR	527,136	11	581,221	14

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	$ (709)	-	$ 9,589	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(36,654)	(1)	(87,052)	(2)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(947)	-	(700)	-
Other comprehensive income, net of income tax	(38,310)	(1)	(78,163)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 488,826	10	$ 503,058	12
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	$ 527,139	10	$ 581,216	14
Non-controlling interests	(3)	-	5	-
	$ 527,136	10	$ 581,221	14
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholders of the Company	$ 488,829	10	$ 503,053	12
Non-controlling interests	(3)	-	5	-
	$ 488,826	10	$ 503,058	12
EARNINGS PER SHARE (Note 27)				
Basic	$ 1.30		$ 1.44	
Diluted	$ 1.30		$ 1.43	

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2022	$ 4,047,380	$ 18	$ 210,524	$ 14,135	$ 374,225	$ 4,368	$ (5,141)	$ 4,645,509	$ 65	$ 4,645,574
Appropriation of 2021 earnings										
Legal reserve	-	-	27,720	-	(27,720)	-	-	-	-	-
Special reserve	-	-	-	773	(773)	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(242,843)	-	-	(242,843)	-	(242,843)
Net profit for the year ended December 31, 2022	-	-	-	-	581,216	-	-	581,216	5	581,221
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	9,589	(700)	(87,052)	(78,163)	-	(78,163)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	590,805	(700)	(87,052)	503,053	5	503,058
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 23)	-	-	-	-	2,530	-	(2,530)	-	-	-
BALANCE AT DECEMBER 31, 2022	4,047,380	18	238,244	14,908	696,224	3,668	(94,723)	4,905,719	70	4,905,789
Appropriation of 2022 earnings										
Legal reserve	-	-	59,333	-	(59,333)	-	-	-	-	-
Special reserve	-	-	-	76,147	(76,147)	-	-	-	-	-
Cash dividend to shareholders	-	-	-	-	(323,790)	-	-	(323,790)	-	(323,790)
Net profit (loss) for the year ended December 31, 2023	-	-	-	-	527,139	-	-	527,139	(3)	527,136
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	(709)	(947)	(36,654)	(38,310)	-	(38,310)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	526,430	(947)	(36,654)	488,829	(3)	488,826
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 23)	-	-	-	-	(91,983)	-	91,983	-	-	-
BALANCE AT DECEMBER 31, 2023	$ 4,047,380	$ 18	$ 297,577	$ 91,055	$ 671,401	$ 2,721	$ (39,394)	$ 5,070,758	$ 67	$ 5,070,825

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

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 659,750	$ 688,022
Adjustments for:		
Depreciation expense	158,125	151,878
Amortization and depletion expense	16,535	17,175
Expected credit (gain) loss recognized on trade receivables	(2,695)	3,952
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(24,825)	24,987
Finance costs	57,039	44,058
Interest income	(3,800)	(2,268)
Dividend income	(62,698)	(26,911)
Gain on disposal of property, plant and equipment	(2,328)	(453)
Loss on impairment of financial assets	527	2,264
Inventory (including real estate under development) write-downs loss (reversal gain)	103,572	(189,447)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	67,525	(33,677)
Notes receivable	(60,211)	(135,645)
Notes receivable from related parties	-	6,571
Accounts receivable	(122,034)	(147,395)
Accounts receivable from related parties	(510)	(8,474)
Other receivables	1,155	549
Other receivables from related parties	(60)	(4)
Inventories	(233,791)	(199,122)
Prepayments	158,415	(19,931)
Other current assets	(4,128)	3,078
Other non-current assets	446	-
Contract liabilities	(28,330)	358,400
Notes payable	76,413	24,972
Notes payable to related parties	39,952	(16,320)
Accounts payable	(31,916)	97,773
Accounts payable to related parties	17,283	22,971
Other payables	30,870	37,000
Other payables to related parties	(1,025)	(142)
Other current liabilities	(324)	815
Net defined benefit liabilities	(496)	(735)
Cash generated from operations	808,436	703,941
Interest received	3,745	2,254
Interest paid	(70,897)	(45,955)
Income tax paid	(96,058)	(15,567)
Net cash generated from operating activities	645,226	644,673

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (85,349)	$ (165,636)
Proceeds from sale of financial assets at fair value through other comprehensive income	88,173	24,518
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	5,700
Decrease in financial assets at amortized cost	54,476	15,880
Payments for property, plant and equipment	(275,100)	(963,710)
Proceeds from disposal of property, plant and equipment	2,328	3,100
Increase in refundable deposits	(6,752)	(1,658)
Increase in other non-current assets	-	(14,912)
Other dividends received	62,698	26,911
Net cash used in investing activities	(159,526)	(1,069,807)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	549,841
Repayments of short-term borrowings	(498,700)	-
Increase in short-term bills payable	-	5,000
Repayments of short-term bills payable	(50,000)	-
Proceeds from long-term borrowings	616,000	700,000
Repayments of long-term borrowings	(206,000)	(574,000)
Increase in guarantee deposits received	9,640	5,030
Increase in other payable to related parties	38,000	87,500
Repayment of the principal portion of lease liabilities	(56,410)	(55,123)
Cash dividends paid	(323,790)	(242,843)
Net cash (used in) generated from financing activities	(471,260)	475,405
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(677)	(535)
NET INCREASE IN CASH	13,763	49,736
CASH AT THE BEGINNING OF YEAR	269,974	220,238
CASH AT THE END OF YEAR	$ 283,737	$ 269,974

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

LUCKY CEMENT CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Lucky Cement Co. (the "Company") was established in 1974; its main business is production and sale of Portland cement. The Company listed its shares on the Taiwan Stock Exchange in June 1990.

The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") are presented in Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 15, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
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 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

The Group is also engaged in construction and development of properties; its operating cycle is longer than 1 year. Its assets and liabilities related to the construction business are not classified as current or non-current under normal operating cycle but presented according to the order of their perceived liquidity to non-liquidity.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Refer Note 12, Note 36 and Table 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company’s foreign operations that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials, supplies and spare parts, finished goods, work-in-process, merchandise and real estate under development and real estate to be developed and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date. The construction cost of property inventories is calculated according to the proportion of an area to the total area of a building floor; the principle is to match construction cost with property sales revenue; operating costs are recognized at the end of the reporting period.

Land for development is classified as real estate to be developed while being prepared for construction, and classified as real estate under development when it is actively being developed and has obtained a construction permit.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of property, plant and equipment and right-of-use asset

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use asset to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

i. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial asset at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 30 Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash, financial assets at amortized cost, Notes receivable, trade receivables and other receivables, etc. are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 181 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes impairment loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

j. Revenue recognition

The Group identifies the contract with the customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

Revenue from sale of products

Revenue from sale of products comes from sales of cement, stone materials and other cement products. Sales of cement, stone materials and other cement products are recognized as revenue when the products are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the products, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

k. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Lease payments from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

l. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

m. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

n. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current tax and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Write-down (reversed) of inventories (including real estate under development)

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH

	December 31	
	2023	**2022**
Cash on hand and revolving funds	$ 1,524	$ 1,359
Checking accounts and demand deposits	277,415	265,216
Foreign currency demand deposits	4,798	3,399
	$ 283,737	$ 269,974

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	**2022**
Current		
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 10,922	$ 53,622

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

	December 31

	2023	2022
Current		
Domestic investments - ordinary shares	$ 83,279	$ 123,952
Non-current		
Domestic investments - ordinary shares	$ 10,590	$ 9,395

The aforementioned information for investments, please refer to Note 36 and Table 3 “Marketable Securities Held”.

For other relevant information on financial assets measured at FVTOCI, please refer to Note 23(e) and Note 30.

These investments in equity instruments are held for strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes.

For the years ended December 31, 2023 and 2022, the Group disposed of partial common stock at fair value of $88,173 thousand and $23,894 thousand, and related other equity - unrealized valuation gain or losses on financial assets at fair value through other comprehensive losses of $91,983 thousand and income of $2,530 thousand were transferred to retained earnings, respectively.

For the year ended December 31, 2023, the Group the dividend income of $62,698 thousand.

For the year ended December 31, 2022, the Group recognized a capital reduction refunded of investee of $5,700 thousand and dividend income of $26,911 thousand at fair value through other comprehensive income, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Time deposits with original maturities of more than 3 months (a)	$ 26,407	$ 26,434
Restricted assets (b)	38,320	92,820
	$ 64,727	$ 119,254
Non-current		
Restricted assets (c)	$ 179,196	$ 179,145

a. The interest rates of time deposits with original maturities of more than 3 months were approximately 1.57%-1.89% and 1.44%-1.68% per annum as of December 31, 2023 and 2022, respectively.

b. The restricted assets - current are savings deposits and certificate of deposit that are provided as guarantees for bank loan and construction contract; market interest rate ranges were approximately 0.55%-1.57% and 0.20%-1.44% per annum as of December 31, 2023 and 2022, respectively.

c. The restricted assets - non-current are certificate of deposit in the bank that is pledged as the security of mining right, which has market interest rate range of approximately 0.50%-1.58% and 0.50%-1.44% per annum as of December 31, 2023 and 2022, respectively.

d. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES, OTHER RECEIVABLES AND OVERDUE RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 493,136	$ 432,925
Trade receivables		
At amortized cost		
Gross carrying amount	$ 704,445	$ 583,777
Less: Allowance for impairment loss	(17,878)	(21,939)
	$ 686,567	$ 561,838

(Continued)

	December 31	
	2023	2022
Other receivables		
Other	$ 354	$ 1,454
Overdue receivables		
Overdue receivables	$ 31,065	$ 29,699
Less: Allowance for impairment loss	(31,065)	(29,699)
	$ -	$ -

(Concluded)

a. Notes receivable

The average credit period of sales of products was 60-150 days. No interest is charged on notes receivable. In order to minimize credit risk, the management of the Group has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts.

Notes receivable of the Group are not overdue as of the balance sheet date, the Group assesses that no allowance for loss on notes receivable is required as of December 31, 2023 and 2022.

Please refer to Note 32 for information relating to notes receivable pledged as security.

b. Trade receivables

The average credit period of sales of products is 60-150 days. No interest is charged on trade receivables. In order to minimize credit risk, the management of the Group has delegated a team for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group measure the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, as well as the GDP forecasts and industry outlook. The Group's provision matrixes are prepared by reference to if the customer were in severe financial difficulty. The Group recorded a 100% of loss allowance when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery; If the customer were not in severe financial difficulty, as the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables and overdue receivables based on the Group's provision matrix.

December 31, 2023

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.46%	7.10%	12.42%	19.40%-69.41%	100%	100%	
Gross carrying amount	$ 645,410	$ 39,946	$ 5,776	$ 2,101	$ 4,258	$ 38,019	$ 735,510
Loss allowance (Lifetime ECLs)	(2,555)	(2,836)	(717)	(558)	(4,258)	(38,019)	(48,943)
Amortized cost	$ 642,855	$ 37,110	$ 5,059	$ 1,543	$ -	$ -	$ 686,567

December 31, 2022

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.29%	6.75%	12.18%	22.81%-88.62%	100%	100%	
Gross carrying amount	$ 521,255	$ 25,548	$ 11,422	$ 16,299	$ 2,299	$ 36,653	$ 613,476
Loss allowance (Lifetime ECLs)	(1,137)	(1,725)	(1,391)	(8,433)	(2,299)	(36,653)	(51,638)
Amortized cost	$ 520,118	$ 23,823	$ 10,031	$ 7,866	$ -	$ -	$ 561,838

The movements of the loss allowance of trade receivables and overdue receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 51,638	$ 47,686
Net remeasurement of loss allowance	(2,695)	3,952
Balance at December 31	$ 48,943	$ 51,638

c. Other receivables

Other receivables mainly include proceeds from sales of securities and guarantee deposits. The Group adopted a policy of only dealing with high credit rating entities and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from its own historical trading records to rate its customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group considers the current financial condition of debtors to determine the expected credit losses for debt instrument investments. As December 31, 2023 and 2022, the expected credit loss rate of other receivables was both 0% consistently.

11. INVENTORIES

	December 31	
	2023	2022
Real estate under development and real estate to be developed	$ 3,477,710	$ 3,429,158
Raw materials	375,868	319,842
Finished goods	124,079	115,900
Work in progress	45,982	94,460
Supplies and spare parts	171,621	99,255
Merchandise	-	6,426
	$ 4,195,260	$ 4,065,041

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 4,108,259	$ 3,347,920
Inventory (including real estate under development) write-downs (reversal gain) loss	103,572	(189,447)
	$ 4,211,831	$ 3,158,473

The inventories pledged as collateral for bank borrowings are set out in Note 32.

12. SUBSIDIARIES

The main entities included in the preparation of the consolidated financial statements are as follows:

			Percentage of Equity Held	
			December 31	
Investor Company	Subsidiary	Nature of Business	2023	2022
Lucky Cement Co.	Dasheng Enterprise Co., Ltd. ("Dasheng Enterprise")	Sale and lease of national residences, commercial buildings, parking lots and industrial areas	99.99	99.99
	Luckicon Ready-mixed Concrete Factory Co., Ltd. ("Luckicon Ready-mixed Co.")	Production and sales of concrete	100.00	100.00
	Lucky Cement Corp., Japan ("Lucky Cement Japan")	Buy and sell of cement	100.00	100.00
	Luckyship Marine Co., Ltd ("Luckyship Co.")	Shipping agent	100.00	100.00
Luckicon Ready-mixed Co.	Fuyu Development Co., Ltd.	Earth and stone	100.00	100.00

See Note 36 and Table 6 for the information on the places of incorporation and principal places of business.

13. PREPAYMENTS

	December 31 2023	December 31 2022
Prepaid expenses	$ 80,345	$ 72,009
Prepayments for purchases of materials	12,989	28,845
Office supplies	1,493	32,264
Prepayments for land purchases	-	119,595
Other	134	663
	$ 94,961	$ 253,376

Dasheng Enterprise acquired land from the unrelated party for the total contract price of $128,092 thousand. On August 30, 2023, the transfers to inventory - real estate under development and real estate to be developed was completed.

14. OTHER CURRENT ASSETS

	December 31 2023	December 31 2022
Offset against business tax payable	$ 30,339	$ 26,212
Other	3	2
	$ 30,342	$ 26,214

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Sales of Real Estate under Development	Total
Cost								
Balance at January 1, 2023	$ 2,334,454	$ 2,209,767	$ 5,598,597	$ 1,106,961	$ 935,086	$ 362,106	$ -	$ 12,546,971
Additions	13,720	11,915	102,756	14,115	138,829	19,705	192,529	493,569
Disposals	-	-	(31,141)	(2,378)	(11,811)	(23,518)	-	(68,848)
Net exchange difference	-	(4,789)	(580)	-	(11)	(22)	-	(5,402)
Balance at December 31, 2023	$ 2,348,174	$ 2,216,893	$ 5,669,632	$ 1,118,698	$ 1,062,093	$ 358,271	$ 192,529	$ 12,966,290
Accumulated depreciation and impairment								
Balance at January 1, 2023	$ -	$ 1,967,948	$ 5,515,364	$ 1,101,436	$ 593,707	$ 345,001	$ -	$ 9,523,456
Depreciation expense	-	39,928	17,342	4,038	30,985	9,520	-	101,813
Disposals	-	-	(31,141)	(2,378)	(11,811)	(23,518)	-	(68,848)
Net exchange difference	-	(4,621)	(478)	-	(11)	(22)	-	(5,132)
Balance at December 31, 2023	$ -	$ 2,003,255	$ 5,501,087	$ 1,103,096	$ 612,870	$ 330,981	$ -	$ 9,551,289
Carrying amount at December 31, 2023	$ 2,348,174	$ 213,638	$ 168,545	$ 15,602	$ 449,223	$ 27,290	$ 192,529	$ 3,415,001
Cost								
Balance at January 1, 2022	$ 1,652,873	$ 2,211,887	$ 5,591,122	$ 1,106,961	$ 862,793	$ 362,750	$ -	$ 11,788,386
Additions	681,581	432	7,994	-	124,616	6,262	-	820,885
Disposals	-	-	(193)	-	(52,314)	(6,893)	-	(59,400)
Net exchange difference	-	(2,552)	(326)	-	(9)	(13)	-	(2,900)
Balance at December 31, 2022	$ 2,334,454	$ 2,209,767	$ 5,598,597	$ 1,106,961	$ 935,086	$ 362,106	$ -	$ 12,546,971

Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ 1,929,507	$ 5,498,399	$ 1,098,091	$ 617,946	$ 342,409	$ -	$ 9,486,352
Depreciation expense	-	40,878	17,434	3,345	25,437	9,498	-	96,592
Disposals	-	-	(193)	-	(49,667)	(6,893)	-	(56,753)
Net exchange difference	-	(2,437)	(276)	-	(9)	(13)	-	(2,735)
Balance at December 31, 2022	$ -	$ 1,967,948	$ 5,515,364	$ 1,101,436	$ 593,707	$ 345,001	$ -	$ 9,523,456
Carrying amount at December 31, 2022	$ 2,334,454	$ 241,819	$ 83,233	$ 5,525	$ 341,379	$ 17,105	$ -	$ 3,023,515

a. A part of the Group’s land use rights reserved for use by the aborigines and for agriculture is temporarily registered in the name of a third person. The trustee had issued an affidavit and mortgaged the land to the Group.

b. The Group’s property, plant and equipment are depreciated on a straight-line method over their estimated useful lives as follows:

Buildings	
Main building of plant	35-53 years
Electrical power equipment	10-15 years
Engineering system	2-5 years
Machinery and equipment	2-22 years
Electrical equipment	2-18 years
Transportation equipment	2-17 years
Other equipment	2-19 years

c. There were no impairment losses of assets for the years ended December 31, 2023 and 2022 since the Group did not perform an impairment test.

d. Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 32.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Land	$ 35,075	$ 27,898
Buildings	118,811	103,083
Transportation equipment	341	48
	$ 154,227	$ 131,029

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 79,510	$ 30,727
Depreciation charge for right-of-use assets		
Land	$ 11,927	$ 11,142
Buildings	44,050	43,575
Transportation equipment	335	569

	$ 56,312	$ 55,286

Except for the aforementioned recognized addition and depreciation, the Group did not have any significant subleases or impairment of right-of-use assets during the years ended December 31, 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 49,722	$ 50,788
Non-current	$ 105,834	$ 81,668

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Land	1.55%-2.22%	1.50%-1.85%
Buildings	1.55%-2.36%	1.50%-1.76%
Transportation equipment	2.03%	1.60%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of offices and operation with lease terms of 1 to 20 years.

The Group leases transportation equipment for the use of operation with lease terms of 2 years.

The Group does not have bargain purchase options to acquire the above lease subjects at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 4,700	$ 4,717
Expenses relating to low-value asset leases	631	669
Interest on lease liabilities	2,117	2,080
Principal of lease liabilities	56,410	55,123
Total cash outflow for leases	$ 63,858	$ 62,589

The Group’s leases of certain buildings qualify as short-term leases and leases of certain other equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. OTHER NON-CURRENT ASSETS

	December 31	
	2023	**2022**
Prepayments for business facilities	$ 120,867	$ 237,735
Long-term prepaid expenses	4,318	44,692
Prepayments for investment property	18,874	18,766
Net limestone mining rights	18,764	18,874
Net defined benefit assets (Note 21)	-	446
	$ 162,823	$ 320,513

In May 2021, the Group purchased fund beneficiary certificates which were classified as non-current financial assets at fair value through profit or loss. The Group decided to settle and distribute its real estate to investors. Because the transfer procedures of the real estate allocated by the Group have not been completed, it was recorded in other non-current assets - prepayments for investment property.

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	**2022**
Secured borrowings (Note 32)		
Bank loans	$ 444,500	$ 1,093,200
Unsecured borrowings		
Line of credit borrowings	535,000	385,000
	$ 979,500	$ 1,478,200

The interest rates of the bank loans were as follows:

	December 31	
	2023	**2022**
Secured borrowings	1.90%-2.38%	1.75%-2.60%
Unsecured borrowings	1.89%-2.22%	1.85%-2.17%

b. Short-term bills payable

	December 31	
	2023	**2022**
Commercial paper	$ 360,000	$ 410,000
Less: Unamortized discounts on bills payable	(723)	(704)
	$ 359,277	$ 409,296

Outstanding short-term bills payable were as follows:

December 31, 2023

Guarantee/Promissory Institution	Par Value	Discount Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 50,000	$ 147	$ 49,853	2.11%
Mega Bills Finance Corporation	130,000	132	129,868	1.90%-1.99%
Dah Chung Bills Finance Corporation	50,000	83	49,917	2.02%
China Bills Finance Corporation	80,000	213	79,787	1.89%-2.02%
Grand Bills Finance Corporation	50,000	148	49,852	1.90%
	$ 360,000	$ 723	$ 359,277	

December 31, 2022

Guarantee/Promissory Institution	Par Value	Discount Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 130,000	$ 301	$ 129,699	1.98%-2.01%
Mega Bills Finance Corporation	80,000	8	79,992	1.86%
Dah Chung Bills Finance Corporation	100,000	124	99,876	1.76%-2.03%
China Bills Finance Corporation	100,000	271	99,729	1.92%-1.97%
	$ 410,000	$ 704	$ 409,296	

The above refer to commercial promissory notes guaranteed by bank, there are no collateral of them, and the term of each note does not exceed 180 days.

c. Long-term borrowings

	December 31 2023	December 31 2022
Secured borrowings (Note 32)		
Bank loans	$ 1,570,000	$ 1,060,000
Unsecured borrowings		
Loans from bank	-	100,000
Less: Current portion	(212,500)	(100,000)
Long-term borrowings	$ 1,357,500	$ 1,060,000

	Details	December 31 2023	December 31 2022
Secured borrowings			
Taiwan Cooperative Bank	The loan period is from October 5, 2022 to January 12, 2027. In addition, the Group signed a new contract in October 2022, and the loan amount is $86 million. The loan is repayable in quarterly installments starting in April 2024.	$ 600,000	$ 600,000
Bank of Taiwan	The loan period is from April 17, 2023 to April 17, 2026 and is repayable in quarterly installments starting in July 2024.	250,000	-
O-Bank	The loan period is from December 28, 2022 to December 28, 2027. The principal will be repaid one time on the maturity date and repaid partially early in November 2023.	430,000	460,000
Sunny Bank Ltd.	The loan is a revolving loan. The credit period is from March 30, 2023 to March 30, 2026. The principal will be repaid one time on the maturity date.	290,000	-
Unsecured borrowings			
The Export-Import Bank of the Republic of China	The loan period is from August 5, 2022 to September 5, 2023. The principal will be repaid one time on the maturity date.	-	100,000
		1,570,000	1,160,000
Less: Current portion		(212,500)	(100,000)
Long-term borrowings		$ 1,357,500	$ 1,060,000

The annual interest rates of long-term borrowings were 2.21%-3.06% and 2.00%-2.92% as of December 31, 2023 and 2022, respectively.

Dasheng Enterprise signed a medium-term loan commitment with O-Bank to guarantee that the mortgaged land should start construction before June 28, 2024 or at the latest within 18 months after the date of loan transfer. If the construction is not started as scheduled, the loan amount will be lower and the interest rate will be increased by 0.25% each year. The progress of the project will be regularly reviewed. Another agreement fulfillment tracking items are as follows:

1) The following financial ratios shall be maintained in the Group's annual consolidated financial statements, which shall be reviewed annually during the term of the credit facility

    a) Current ratio (current assets/current liabilities): Should be at least 100% (inclusive);

    b) Debt ratio [(total liabilities/(net worth - intangible assets)]: Not higher than 120%;

    c) Net tangible value (net worth - intangible assets): Should be maintained at least NT$4 billion (inclusive).

2) Collateral must be revalued once a year by an external appraiser approved by O-Bank. LTV Ratio (Loan-to-value ratio) must be no more than 50%. If it is higher than 50%, Dasheng Enterprise is required to provide the pledged deposit to O-Bank for the difference within 10 business days from the appraisal report date or settle the credit balance in advance. If it is less than 50%, the deposit slip can be canceled for the original.

19. NOTES PAYABLE AND TRADE PAYABLES

a. Notes payable

The Group issues notes payable for domestic payments and equipments.

b. Trade payables

The average credit period for purchases is 3 months. The Group's financial risk management policies ensure that all payables are repaid within the pre-agreed credit period.

20. OTHER PAYABLES

	December 31	
	2023	**2022**
Payables for salaries and bonuses	$ 120,426	$ 117,225
Payables for taxes	25,690	9,153
Payables for utilities expense	22,223	11,293
Payables for freight expense	14,516	12,733
Payables for equipment	7,765	14,348
Others	24,486	26,089
	$ 215,106	$ 190,841

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company, Dasheng Enterprise, Luckicon Ready-mixed Co., Luckyship Co, and Fuyu Development Co., Ltd. adopted the pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the entities make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group in Japan are members of the retirement benefits program operated by the government of Japan. The subsidiary must allocate a specific percentage of salary costs to the retirement benefit plan to provide funding for the plan. The Group's obligation for this government-operated retirement benefit plan is only to allocate a specific amount.

b. Defined benefit plans

The defined benefit plans adopted by the Company, Dasheng Enterprise, and Luckicon Ready-mixed Co. in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company, Dasheng Enterprise, and Luckicon Ready-mixed Co. contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

Since August 2021, Dasheng Enterprise, had no employees under labor pension system of the Labor Standards Act, and recovered pension remaining funds after closed the pension account in 2023.

The amount of the Group's defined benefit plan is included in the balance sheets as follows:

	December 31	
	2023	**2022**
Present value of funded defined benefit obligation	$ 172,845	$ 184,403
Fair value of plan assets	(148,211)	(160,428)
Net defined benefit liabilities	$ 24,634	$ 23,975

Net defined benefit liabilities are the net amount of defined benefit assets (reported as other non-current assets) of $446 thousand and defined benefit liabilities of $24,421 thousand as of December 31, 2022, respectively.

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 198,626	$ (164,327)	$ 34,299
Service costs			
Current service costs	571	-	571
Net interest expense (income)	1,232	(1,019)	213
Recognized in profit or loss	1,803	(1,019)	784
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(14,297)	(14,297)
Actuarial loss (gain)			
Changes in financial assumptions	(3,277)	-	(3,277)
Experience adjustments	7,985	-	7,985
Recognized in other comprehensive income	4,708	(14,297)	(9,589)
Contributions from the employer	-	(1,519)	(1,519)
Benefit paid	(20,734)	20,734	-
Balance at December 31, 2022	$ 184,403	$ (160,428)	$ 23,975
Balance at January 1, 2023	$ 184,403	$ (160,428)	$ 23,975
Service costs			
Current service costs	558	-	558
Net interest expense (income)	2,075	(1,808)	267
Recognized in profit or loss	2,633	(1,808)	825
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,616)	(1,616)
Actuarial loss (gain)			
Experience adjustments	2,325	-	2,325
Recognized in other comprehensive income	2,325	(1,616)	709
Contributions from the employer	-	(1,321)	(1,321)
Benefit paid	(16,516)	16,516	-
Plan assets claimed	-	446	446
Balance at December 31, 2023	$ 172,845	$ (148,211)	$ 24,634

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

	For the Year Ended December 31	
	2023	2022
Operating costs	$ 500	$ 484
Selling and marketing expenses	112	104
General and administrative expenses	213	196
	$ 825	$ 784

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	**2022**
Discount rate	1.125%	1.125%
Expected rate of salary increase	1.250%-1.500%	1.250%-1.500%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate		
0.25% increase	$ (2,485)	$ (2,928)
0.25% decrease	$ 2,543	$ 3,001
Expected rate of salary increase		
0.25% increase	$ 2,490	$ 2,939
0.25% decrease	$ (2,446)	$ (2,882)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
Expected contributions to the plans for the next year	$ 1,295	$ 1,379
Average duration of the defined benefit obligation	5.8 years	6.2-6.5 years

22. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Group's assets and liabilities relating to the construction and development business was based on its operating cycle. The amounts expected to be recovered or settled within 1 year after the reporting period and more than 1 year after the reporting period for related assets and liabilities were as follows:

	Within 1 Year	More Than 1 Year	Total
December 31, 2023			
Assets			
Financial assets at amortized cost	$ 31,820	$ -	$ 31,820
Inventories	-	3,477,710	3,477,710
	$ 31,820	$ 3,477,710	$ 3,509,530
Liabilities			
Contracts liabilities	$ -	$ 262,042	$ 262,042
December 31, 2022			
Assets			
Financial assets at amortized cost	$ 31,820	$ -	$ 31,820
Inventories	-	3,429,158	3,429,158
Prepayment for land purchases	-	119,595	119,595
	$ 31,820	$ 3,548,753	$ 3,580,573
Liabilities			
Contracts liabilities	$ -	$ 262,042	$ 262,042

23. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Number of shares authorized (in thousands)	498,646	498,646
Shares authorized	$ 4,986,460	$ 4,986,460
Number of shares issued and fully paid (in thousands)	404,738	404,738
Shares issued	$ 4,047,380	$ 4,047,380

A holder of issued ordinary share with a par value of $10 is entitled to exercise shareholders' voting rights and to receive distributed dividends.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends or transferred to share capital*		
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition	$ 10	$ 10
May be used only to offset a deficit		
Changes in percentage of ownership interests in subsidiaries	8	8
	$ 18	$ 18

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividend policy

The Company's Articles of incorporation ("Articles"), which stipulates that the Company shall consider distribution of earnings or appropriation of earnings to a reserve at the end of the first half of the fiscal year or at the end of the fiscal year. The business report and financial statements should be submitted to the audit committee for review, and to the board of directors for resolution.

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. However, these stipulations shall not apply when the legal reserve amount has reached the authorized capital. The Company should also follow Article 240 of the Company Act in the case of distribution of earnings in the form of shares; in the case of distribution of earnings in cash, the board of directors is authorized to resolve the distribution of cash dividends; the resolution should be adopted by a majority vote in the meeting of the board of directors attended by two-thirds of all the directors, and then reported to the shareholders' meeting.

According to the Articles, the Company should distribute earnings or appropriate earnings to a reserve based on the financial statements audited or reviewed by an independent accountant.

The Articles stipulate that in the allocation of annual earnings, the Group shall first appropriate 10% of earnings to legal reserve and then appropriate to special reserve amount to cover deduction items in the equity, payment of business tax and to make up for past annual loss. From the remaining amount after the above allocation plus 40%-80% of unappropriated earnings in the previous year, no distribution will be made if the amount is less than NT$0.1 per share but will be retained in the unappropriated earnings. The board of directors shall propose distribution of dividends and the shareholders in their meeting shall approve the proposal. Refer to Note 25 (h), employee benefits, for the revised policy on the compensation of employees and remuneration of directors.

The appropriation and distribution of earnings and capital surplus as cash dividend or share dividend shall be subject to the real profit and fund situation in the current year, with consideration of fund for investment and possible dilution of earnings per share. The allocation for share dividend shall be limited to 20% of the issued shares. In case there is deduction item in equity, the deduction item shall be first offset with earnings or capital surplus before making the appropriation and allocation. When equity deduction item is reversed, the reversed amount shall be allocated to capital surplus. The allocation of capital surplus shall be accounted in the current year and passed in the general meeting of shareholders in the next year.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

On November 10, 2023 and November 10, 2022, the Company's board of directors adopted the results of operations for the first half of 2023 and 2022 and decided not to distribute dividends.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 59,333	$ 27,720
Special reserve	$ 76,147	$ 773
Cash dividends	$ 323,790	$ 242,843
Cash dividends per share (NT$)	$ 0.80	$ 0.60

The above appropriations for cash dividends had been resolved by the Company's board of directors on March 16, 2023 and March 30, 2022, respectively; the appropriations of earnings had been resolved by the shareholders in their meetings on June 30, 2023 and 2022, respectively.

The appropriation of earnings and dividend per share for 2023 that were approved in the board of directors' meeting on March 15, 2024 were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 43,445
Special reserve	$ 54,382
Cash dividends	$ 404,738
Cash dividends per share (NT$)	$ 1.00

The above appropriation for cash dividends had been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 18, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Beginning at January 1	$ 14,908	$ 14,135
Appropriation in respect of:		
Reversal of the debits to other equity items	76,147	773
Balance at December 31	$ 91,055	$ 14,908

Upon initial application of IFRS Accounting Standards, the conversion adjustments of NT$14,135 thousand were transferred to retained earnings, and the same amount was appropriated to special reserve.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 3,668	$ 4,368
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(947)	(700)
Balance at December 31	$ 2,721	$ 3,668

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (94,723)	$ (5,141)
Recognized for the year		
Unrealized gain (loss) - equity instruments	(36,654)	(87,052)
Other comprehensive income recognized for the year	(36,654)	(87,052)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	91,983	(2,530)
Balance at December 31	$ (39,394)	$ (94,723)

f. Non-controlling interest

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 70	$ 65
Net (loss) profit for the year	(3)	5
Balance at December 31	$ 67	$ 70

24. REVENUE

a. Segmentation of customer contract revenue

	For the Year Ended December 31	
	2023	2022
Cement	$ 2,160,039	$ 1,837,427
Cement products	1,811,265	1,378,529
Stone materials	606,129	498,717
Others	517,310	434,580
	$ 5,094,743	$ 4,149,253

b. Balance of assets and liabilities related to the sales contracts

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable (Note 10)	$ 493,136	$ 432,925	$ 297,280
Notes receivable from related parties	$ -	$ -	$ 6,571
Trade receivables (Note 10)	$ 686,567	$ 561,838	$ 418,395
Trade receivables from related parties	$ 12,234	$ 11,724	$ 3,250
Contract liability			
Cement sales	$ 248,478	$ 283,936	$ 189,789
Sales of real estate under development	262,042	262,042	-
Others	10,339	3,211	1,000
	$ 520,859	$ 549,189	$ 190,789

On March 9, 2022, the board of directors of Dasheng Enterprise resolved to sell thirteen pieces of lands, including Daitianfu Section, Anle District and Keelung City, to non-related parties for $1,746,951 thousand; the installment payments were collected according to the terms of contract. As of December 31, 2023, Dasheng Enterprise has received the first installment of $262,042 thousand, and Dasheng Enterprise has recorded contract liabilities due to unfulfilled performance obligations. In addition, Dasheng Enterprise has received the second installment of $262,043 thousand in March 2024.

The changes in contract liabilities primarily resulted from the timing difference between the satisfaction of performance obligation and the customer’s payment.

The amount of contract liability at the beginning of the year with performance obligation satisfied and revenue recognized in the current year was as follows:

	For the Year Ended December 31	
	2023	2022
Contract liability at the beginning of the year		
Cement sales	$ 283,936	$ 189,789
Others	3,211	1,000
	$ 287,147	$ 190,789

25. NET PROFIT

a. Other operating income and expenses

	For the Year Ended December 31	
	2023	2022
Gains on disposals of property, plant and equipment	$ 2,328	$ 453

b. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 3,800	$ 2,268

c. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	$ 9,033	$ 8,635
Revenue from dividends	62,698	26,911
Others	13,584	18,281
	$ 85,315	$ 53,827

d. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign currency exchange loss	$ (1,191)	$ (608)
Net (loss) gain on fair value changes of financial assets at fair value through profit or loss	24,825	(24,987)
Loss on impairment of financial assets	(527)	(2,264)
Depreciation of rental assets	(2,292)	(1,866)
Others	(5,502)	(5,719)
	$ 15,313	$ (35,444)

e. Financial costs

	For the Year Ended December 31	
	2023	2022
Bank loan	$ 53,423	$ 41,423
Interest on lease liabilities (related parties included)	2,117	2,080
Related party loans	1,486	555
Others	13	-
	$ 57,039	$ 44,058

Information about interest capitalization is as follows:

	For the Year Ended December 31	
	2023	2022
Amount of interest capitalized	$ 13,989	$ 2,859
Interest capitalized rate	1.989%-2.879%	1.252%-2.600%

f. Depreciation, amortization and depletion

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 101,813	$ 96,592
Right-of-use assets	56,312	55,286
Long-term prepaid expenses	16,533	17,173
Limestone mining rights	2	2
	$ 174,660	$ 169,053
Depreciation by function		
Operating costs	$ 112,446	$ 106,643
Operating expenses	43,387	43,369
Non-operating expenses	2,292	1,866
	$ 158,125	$ 151,878
Amortization by function		
Operating costs	$ 15,069	$ 14,876
Operating expenses	1,464	2,297
	$ 16,533	$ 17,173
Depletion by function		
Operating costs	$ 2	$ 2

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plan	$ 14,360	$ 12,891
Defined benefit plan (Note 21)	825	784
	15,185	13,675
Other employee benefits	415,076	410,588
Total employee benefits expense	$ 430,261	$ 424,263
An analysis of employee benefits expense by function		
Operating costs	$ 278,165	$ 257,835
Operating expenses	152,096	166,428
	$ 430,261	$ 424,263

h. Compensation of employees and remuneration of directors

The Company shall appropriate 3% and not less than 5% of the profit before tax and before deduction of compensation of employees and remuneration of directors in the current year. The appropriations of compensation of employees and the remuneration of directors for 2023 and 2022 that were resolved by the board of directors on March 15, 2024 and March 16, 2023, respectively, are as shown below:

Accrual rate

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	3%	3%
Remuneration of directors	5%	5%

Amount

	For the Year Ended December 31	
	2023	**2022**
	Cash	**Cash**
Compensation of employees	$ 20,060	$ 21,524
Remuneration of directors	33,433	35,874

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	**2022**
Foreign exchange gains	$ 18	$ 5,249
Foreign exchange losses	(1,209)	(5,857)
	$ (1,191)	$ (608)

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 137,595	$ 95,986
Adjustments for prior year	286	(2,363)
	137,881	93,623
Deferred tax		
In respect of the current year	(5,267)	13,178
Income tax expense recognized in profit or loss	$ 132,614	$ 106,801

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 659,750	$ 688,022
Income tax expense calculated at the statutory rate	$ 131,950	$ 137,604
Nondeductible expenses (nontaxable income) in determining taxable income	(36,349)	(44,820)
Adjustments for unrecognized deductible temporary differences and loss carryforwards	49,392	22,329
Tax-exempt income	(12,665)	(5,949)
Adjustments for prior years' tax	286	(2,363)
Income tax expense recognized in profit or loss	$ 132,614	$ 106,801

b. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ -	$ 185
Current tax liabilities		
Income tax payable	$ 137,356	$ 95,718

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Pension limit exceeded	$ 17,986	$ (99)	$ 17,887
Investment loss under equity method	8,414	23,452	31,866
Unrealized inventory valuation loss	17,560	(14,958)	2,602
Allowance for impairment loss	7,806	(875)	6,931
Gross profit from advance receipts with issued bill of lading	3,582	663	4,245
Unrealized foreign exchange loss	-	24	24
Others	453	-	453
	55,801	8,207	64,008
Tax loss	4,842	(690)	4,152
	$ 60,643	$ 7,517	$ 68,160
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of fixed assets	$ 21,938	$ 2,255	$ 24,193
Unrealized foreign exchange gain	5	(5)	-
Others	479	-	479
	$ 22,422	$ 2,250	$ 24,672

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Pension limit exceeded	$ 18,133	$ (147)	$ 17,986
Investment loss under equity method	15,431	(7,017)	8,414
Unrealized inventory valuation loss	13,754	3,806	17,560
Unrealized foreign exchange loss	12	(12)	-
Allowance for impairment loss	7,310	496	7,806
Gross profit from advance receipts with issued bill of lading	3,325	257	3,582
Others	-	453	453
	57,965	(2,164)	55,801
Tax loss	17,252	(12,410)	4,842
	$ 75,217	$ (14,574)	$ 60,643

(Continued)

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax liabilities			
Temporary differences			
Accelerated depreciation of fixed assets	$ 23,211	$ (1,273)	$ 21,938
Unrealized foreign exchange gain	128	(123)	5
Others	479	-	479
	$ 23,818	$ (1,396)	$ 22,422

(Concluded)

d. Income tax assessments

The income tax returns through 2021 of the Company, Luckicon Ready-mixed Co., Dasheng Enterprise, Luckyship Marine Co. and Fuyu Development Co., have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts.

27. EARNINGS PER SHARE

The earnings and the weighted-average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit

	For the Year Ended December 31 2023	2022
Net profit for the year	$ 527,139	$ 581,216

Earnings Per Share

(In Thousands of Shares)

	For the Year Ended December 31 2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	404,738	404,738
Effect of potentially dilutive ordinary shares		
Compensation of employees	1,587	2,205
Weighted average number of ordinary shares used in the computation of diluted earnings per share	406,325	406,943

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. CASH FLOW INFORMATION

a. Non-cash transactions

The following are the Group's non-cash investing activities which were not reflected in the consolidated statements of cash flows for the years ended December 31, 2023 and 2022:

	For the Year Ended December 31	
	2023	2022
Partial cash generated from disposal of financial assets at FVTOCI		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 88,173	$ 23,894
Changes in receivable from sale of securities (reported as other receivables)	-	624
Cash received	$ 88,173	$ 24,518
Partial cash payments for purchase of PP&E		
Acquisition of property, plant and equipment	$ 493,569	$ 820,885
Capitalized amounts	(13,989)	(2,859)
Net changes in prepayments for business facilities	(140,709)	163,703
Net changes in payable for purchase of land (reported as notes payable and other payables (related parties included))	(63,771)	(18,019)
Cash paid	$ 275,100	$ 963,710

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2023

	January 1, 2023	Cash Flows	Non-cash Changes			Balance at December 31, 2023
			New Lease	Discount Amortization	Others	
Short-term borrowings	$ 1,478,200	$ (498,700)	$ -	$ -	$ -	$ 979,500
Short-term bills payable	409,296	(50,000)	-	(19)	-	359,277
Long-term borrowings	1,160,000	410,000	-	-	-	1,570,000
Other payables to related parties	39,040	9,640	-	-	-	48,680
Guarantee deposits received	139,444	38,000	-	-	(4,524)	172,920
Lease liabilities	132,456	(56,410)	79,510	-	-	155,556
	$ 3,358,436	$ (147,470)	$ 79,510	$ (19)	$ (4,524)	$ 3,285,933

For the year ended December 31, 2022

	January 1, 2022	Cash Flows	Non-cash Changes: New Lease	Non-cash Changes: Discount Amortization	Others	Balance at December 31, 2022
Short-term borrowings	$ 928,359	$ 549,841	$ -	$ -	$ -	$ 1,478,200
Short-term bills payable	404,424	5,000	-	(128)	-	409,296
Long-term borrowings	1,034,000	126,000	-	-	-	1,160,000
Other payables to related parties	48,311	87,500	-	-	3,633	139,444
Guarantee deposits received	34,010	5,030	-	-	-	39,040
Lease liabilities	156,852	(55,123)	30,727	-	-	132,456
	$ 2,605,956	$ 718,248	$ 30,727	$ (128)	$ 3,633	$ 3,358,436

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy of the Group remains consistent.

The capital structure of the Group consists of net debt (borrowings offset by cash) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity).

In addition to the commitment to maintain the contractual terms of the long-term loans signed between the subsidiary Dasheng Enterprise and the bank. The Group is not yet subject to other external capital requirements.

Key management personnel of the Group review the capital structure on regular basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of public finance-debt or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

There is no significant difference between the carrying amount and fair value of the financial assets and financial liabilities which are not measured at fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 10,922	$ -	$ -	$ 10,922

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 83,279	$ -	$ -	$ 83,279
Unlisted shares	-	-	10,590	10,590
	$ 83,279	$ -	$ 10,590	$ 93,869

(Concluded)

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 53,622	$ -	$ -	$ 53,622
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 123,952	$ -	$ -	$ 123,952
Unlisted shares	-	-	9,395	9,395
	$ 123,952	$ -	$ 9,395	$ 133,347

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

	Financial Assets at FVTOCI - Equity Instruments	
	For the Year Ended December 31	
	2023	2022
Balance at January 1, 2023	$ 9,395	$ 11,038
Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI)	(991)	(1,643)
Additions	2,186	-
Balance at December 31, 2023	$ 10,590	$ 9,395

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The asset approach and comparable listed companies approach were used to calculate the fair values of investments in domestic unlisted equity instruments.

The comparable listed companies approach takes into account the transaction prices of shares of listed companies in an active market, the value multiplier implicit in the price, and the liquidity discount when evaluating the fair value of the target company.

c. Categories of financial instruments

	December 31			
	2023		2022	
Financial assets				
FVTPL				
Mandatorily classified as at FVTPL	$	10,922	$	53,622
Financial assets at amortized cost (1)		1,744,308		1,594,386
Financial assets at FVTOCI				
Equity instruments		93,869		133,347
Financial liabilities				
Amortized cost (2)		3,887,827		3,803,146

1) The balances include financial assets at amortized cost, which comprise cash, financial assets at amortized cost, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables (excluding salaries, bonuses and taxes), long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

The exposure to market risk of the financial instruments of the Group and the management and measurement of the exposure have not changed.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets (including those eliminated on consolidation) at the end of the year are set out in Note 35.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

The following table shows the sensitivity analysis of the Group when the exchange rate of the New Taiwan dollar to the relevant foreign currency increases and decreases by 5%. The 5% sensitivity rate is used for reporting currency risk to key management personnel of the Group; the management believes it is the reasonably acceptable range of fluctuation of foreign currency rate. The positive (negative) amounts on the table below indicate an increase (decrease) in pre-tax income and equity amount when the New Taiwan dollar weakens (strengthens) by 5% relative to the relevant currency.

	USD Impact		**RMB Impact**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ (72)	$ (48)	$ (375)	$ (375)

The above analysis included cash in banks and financial assets at amortized cost denominated in USD and RMB which are outstanding at the end of the reporting period.

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	**2022**
Cash flow interest rate risk		
Financial assets	$ 492,306	$ 528,200
Financial liabilities	3,040,077	3,140,796

Sensitivity analysis

The following sensitivity analysis shows the effect of a 25 basis points change in interest rates of non-derivative instruments at the balance sheet date. A 25-basis-point sensitivity is used in internal reports to key management personnel; it represents the reasonably possible change in interest rates acceptable to the management.

Had interest rates increased/decreased by 25 basis points, the profit before tax in 2023 and 2022 would have decreased/increased by $6,369 thousand and $6,531 thousand, respectively, with all other variables held constant; the non-derivative instruments include floating rate loan, demand deposit, time deposit and restricted asset.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation could be equal to the total assets shown on the balance sheets.

The policy of the Group is to only trade with counterparties with high reputation, and to require sufficient guarantee to reduce the financial loss from default. The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. The Group had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk table

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group is required to pay.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 402,876	$ 329,004	$ 57,821	$ 3,649	$ 54,400
Lease liabilities	8,776	4,538	38,749	101,157	9,216
Variable interest rate liabilities	259,845	784,432	638,300	1,357,500	-
	$ 671,497	$ 1,117,974	$ 734,870	$ 1,462,306	$ 63,616

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 200,887	$ 256,927	$ 145,765	$ 3,571	$ 55,200
Lease liabilities	9,089	5,239	38,072	83,324	-
Variable interest rate liabilities	179,949	886,347	1,014,500	1,060,000	-
	$ 389,925	$ 1,148,513	$ 1,198,337	$ 1,146,895	$ 55,200

b) Financing facilities

	December 31	
	2023	2022
Unsecured facilities		
Amount used	$ 895,000	$ 915,452
Amount unused	1,448,631	448,268
	$ 2,343,631	$ 1,363,720

(Continued)

	December 31	
	2023	2022
Secured facilities		
Amount used	$ 2,014,500	$ 2,153,200
Amount unused	1,149,749	666,800
	$ 3,164,249	$ 2,820,000

(Concluded)

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related parties

Related Party Name	Related Party Category
Other related party	
Yung-Sheng Development Enterprise Co., Ltd. (“Yung-Sheng Development”)	The chairman is also the chairman of the Company
Liang-Chuan Cultural and Educational Foundation (“Liang-Chuan Foundation”)	The chairman is also the chairman of the Company
Fudong Freight Co., Ltd. (“Fudong Freight”)	The chairman is first-degree relative of the chairman of the Company
East Life Biotech Co., Ltd. (“East Life Biotech”)	The chairman is also the chairman of the Company
Jia Fu Entertainment Co., Ltd. (“Jia Fu Entertainment”)	The chairman is first-degree relative of the chairman of the Company
Wantong Property Insurance Brokerage Co., Ltd. (“Wantong Property Insurance”)	The chairman is first-degree relative of the chairman of the Company
Lucky Construction Co., Ltd. (“Lucky Construction”)	The chairman is first-degree relative of the chairman of the Company
Kuochuan Development Co., Ltd. (“Kuochuan Development”)	The chairman is first-degree relative of the chairman of the Company
Ri Kon Construction Co., Ltd. (Ri Kon Construction)	The chairman is first-degree relative of the chairman of the Company
Changheng Investment Co. (“Changheng Investment”)	The company is major shareholder of the Company
Jinli Investment Co., Ltd. (“Jinli Investment”)	The company is major shareholder of the Company
Cheng Haibin	The person is third-degree relative of the chairman of the Company
Fuan Mining Co., Ltd. (“Fuan Mining”)	A manager in the company is spouse of a first-degree relative of the chairman of the Company

b. Business transaction

Line Item	Related Party Name	For the Year Ended December 31 2023	2022
Sale of goods	Other related parties	$ 103,683	$ 84,013
Purchases of goods	Fuan Mining	$ 336,298	$ 135,515
	Other related parties	46,637	36,323
		$ 382,935	$ 171,838
Operating costs - transportation expenses	Other related parties	$ 13,024	$ 9,572
Operating costs - manufacturing expenses	Other related parties	$ 169	$ 181
Operating expenses	Other related parties	$ 2,577	$ 4,658

The prices of purchases and sales between the Group and related parties are negotiated separately, and the period of receipt and payment is comparable to that of non-related parties.

c. Receivables from related parties

Line Item	Related Party Name	December 31 2023	2022
Trade receivables	Fuan Mining	$ 11,644	$ 11,143
	Yung-Sheng Development	590	581
		$ 12,234	$ 11,724
Other receivables	Other related parties	$ 311	$ 251

The outstanding trade receivables from related parties are unsecured. As of December 31, 2023 and 2022, no impairment losses were recognized for trade receivables from related parties.

d. Payables to related parties

Line Item	Related Party Name	December 31 2023	2022
Notes payable (excluding loan from related parties)	Fuan Mining	$ 61,225	$ 21,605
	Fudong Freight	5,555	5,202
	Other related parties	-	21
		$ 66,780	$ 26,828
Trade payables	Fuan Mining	$ 36,067	$ 18,147
	Fudong Freight	6,233	6,870
		$ 42,300	$ 25,017

(Continued)

Line Item	Related Party Name	December 31 2023	December 31 2022
Other payables - current (excluding loan from related parties)	Fudong Freight	$ 940	$ 525
	Ri Kon Construction	-	3,671
	Other related parties	508	1,844
		$ 1,448	$ 6,040

(Concluded)

The outstanding trade payables to related parties are unsecured.

e. Loan from related parties

Line Item	Related Party Name	December 31 2023	December 31 2022
Other payables - current	Fuan Mining	$ 131,472	$ 93,404
Other payables - non-current	Cheng Haibin	$ 40,000	$ 40,000
Interest expense	Other related parties	$ 1,486	$ 555

The interest rate of the other payables - current has no difference to the market interest rate. The other payables to related parties - non-current are interest-free loans from shareholders. The loans from the related parties are unsecured.

f. Lease arrangements - the Group is lessee

Related Party Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Acquisition of right-to-use assets		
Jia Fu Entertainment	$ 10,162	$ -

Line Item	Related Party Name	December 31 2023	December 31 2022
Lease liabilities - current	Jia Fu Entertainment	$ 399	$ -
Lease liabilities - non-current	Jia Fu Entertainment	$ 9,535	$ -

Related Party Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Interest expense		
Jia Fu Entertainment	$ 130	$ -

The Group leased right-of-use of land from its related party in 2023, the lease term of the contract was 20 years, the rental is based on agreement and fixed lease payments are paid monthly.

g. Lease arrangements - the Group is lessor

Lease arrangements - the Group is lessor under operating leases

Future lease payments receivable are as follows:

Related Party Category/Name	December 31 2023	December 31 2022
Fudong Freight	$ 2,540	$ 3,164
Other related parties	432	144
	$ 2,972	$ 3,308

Lease income was as follows:

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Fudong Freight	$ 1,344	$ 1,344
Other related parties	144	144
	$ 1,488	$ 1,488

The rental amounts and collection methods are negotiated.

h. Compensation of key management personnel

Type of Remuneration	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Short-term employee benefits	$ 55,844	$ 61,623
Post-employment benefits	447	505
	$ 56,291	$ 62,128

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets of the Group are pledged as collateral for long-term and short-term bank loans, short-term bills payable, and other credit accommodation:

	December 31 2023	December 31 2022
Property under development (reported as inventories)	$ 3,383,496	$ 3,369,256
Property, plant and equipment	1,948,500	894,079
Restricted assets (reported as financial assets at amortized cost)	217,516	271,965
Notes receivable	11,900	-
	$ 5,561,412	$ 4,535,300

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Significant unrecognized commitments

a. As of December 31, 2023 and 2022, the Group signed a contract for purchase of property, plant and equipment; the unpaid amount is $300,764 thousand and $210,639 thousand, respectively.

b. As of December 31, 2023 and 2022, unused letters of credit for purchases of raw materials amounted to approximately $0 thousand and $20,452 thousand, respectively.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currency of the entities in Group and the related exchange rates between foreign currencies and functional currency were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 47	30.705 (USD:NTD)	$ 1,435
RMB	1,735	4.3270 (RMB:NTD)	7,507

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 31	30.71 (USD:NTD)	$ 963
RMB	1,709	4.3920 (RMB:NTD)	7,507

Foreign exchange gains or losses (realized and unrealized) of the Group in 2023 and 2022 were losses of $1,191 thousand and $608 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

36. ADDITIONAL DISCLOSURES

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

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

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

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

9) Trading in derivative instruments: None.

10) Intercompany relationships and significant intercompany transactions (Table 7)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: None;

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: None.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: None.

   c) The amount of property transactions and the amount of the resultant gains or losses.: None.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: (Table 8)

37. SEGMENT INFORMATION

The Group defined its reportable segments as follows:

Cement segment: Producing and selling business for products related to cement.

Other segment: Other operations of non-cement business.

a. Segment revenue and operating results

The Group's revenues and operating results analyzed by the operating segments were as follows:

	Income of Segments		Profit/Loss of Segments	
	2023	2022	2023	2022
Cement segment	$ 5,094,629	$ 4,149,139	$ 718,641	$ 501,391
Other segment	114	114	(106,280)	210,038
Total amount of business unit	$ 5,094,743	$ 4,149,253	612,361	711,429
Interest income			3,800	2,268
Other income			85,315	53,827
Other gains and losses			15,313	(35,444)
Financial costs			(57,039)	(44,058)
Profit before tax			$ 659,750	$ 688,022

The segment revenue reported above was all generated from transactions with external customers. There were no inter-segment sales in 2023 and 2022.

The revenue of segments means the profits earned by each segment, excluding interest income which shall be apportioned, other income, other gains and losses and financial costs.

b. Total assets and liabilities of segments

	December 31	
	2023	2022
Segment assets		
Operating segment		
Cement segment	$ 6,406,760	$ 6,027,362
Other segment	3,563,113	3,634,509
Total assets	$ 9,969,873	$ 9,661,871

(Continued)

	December 31	
	2023	**2022**
Segment liabilities		
Operating segment		
Cement segment	$ 4,028,281	$ 3,894,036
Other segment	870,767	862,046
Total liabilities	$ 4,899,048	$ 4,756,082

(Concluded)

c. Geographic information

The Group's main operating area is in the Republic of China.

d. Main customer's information

The sales revenue amounted to $5,094,743 thousand and $4,149,253 thousand in 2023 and 2022. In 2023 and 2022, there was no revenue from a single customer that exceeded 10% of the Group's total revenue.

LUCKY CEMENT CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Financing Company	Counterparty	Financial Statement Account	Maximum Balance in Current Period	Related Party	Ending Balance (Note 4)	Amount Actually Drawn (Note 5)	Interest Rate	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral Name	Collateral Value	Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 3)
0	Lucky Cement Co.	Dasheng Enterprise	Other receivables from related parties	$ 400,000	Yes	$ 200,000	$ 120,000	2.2267%	b.	$ -	Operating turnover	$ -	-	-	$ 507,076	$ 2,028,303
		Luckicon Ready-mixed Co.	Other receivables from related parties	300,000	Yes	-	-	-	b	-	Operating turnover	-	-	-	507,076	2,028,303
						$ 200,000										

Note 1: The nature of financing is as follows:

a. Party with business.
b. Party with short-term financing need.

Note 2: Financing of Lucky Cement Co. to a more than 50% owned subsidiary should not be more than 10% of the net value of Lucky Cement Co. at end of year; For a subsidiary that is 20% to 50% owned, loan should not be more than 5% of the net value of Lucky Cement Co. at end of year; for less than 20% owned subsidiary, loan should not be more than 2% of the net value of Lucky Cement Co. at end of year.

Note 3: The limit is 40% of net value of the financing company at end of the year.

Note 4: The amount is approved by the board of directors.

Note 5: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO. AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
0	Lucky Cement Co.	Dasheng Enterprise	Subsidiary	$ 2,028,303	$ 580,000	$ 580,000	$ 430,000	$ -	11.44%	$ 2,535,379	Y	-	-	
		Luckicon Ready-mixed Co	Subsidiary	2,028,303	1,270,000	1,270,000	710,000	-	25.05%	2,535,379	Y	-	-	
		Lucky Cement Japan	Subsidiary	2,028,303	11,545	6,516	-	-	0.13%	2,535,379	Y	-	-	
						$ 1,856,516								

Note 1: The upper limit that Lucky Cement Co. endorses for single company shall not exceed 10% of the net value of Lucky Cement Co. and shall not exceed 40% of the net value of subsidiary.

Note 2: The endorsement approved in the meeting of shareholders shall not exceed 50% of the net value of Lucky Cement Co.

TABLE 3

LUCKY CEMENT CO. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value (Notes 1 and 2)	
Lucky Cement Co.	Mutual fund							
	O-Bank No.1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	100,000	$ 803	-	$ 803	
	Yuanta Japan Leaders Equity Fund	-	Financial assets at FVTPL - current	511,248	5,112	-	5,112	
	Taishin Flexible Income Fund	-	Financial assets at FVTPL - current	500,000	5,007	-	5,007	
	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,494,708	10,254	10.58	10,254	
	Listed ordinary shares							
	Yang Ming Marine Transport Corp.	-	Financial assets at FVTOCI - current	400,000	20,520	0.01	20,520	
	Formosa Plastics Corporation	-	Financial assets at FVTOCI - current	300,000	23,760	-	23,760	
	Asia Cement Corporation	-	Financial assets at FVTOCI - current	165,000	6,839	-	6,839	
	Far Eastern New Century Corporation	-	Financial assets at FVTOCI - current	200,000	6,240	-	6,240	
	Taiwan Cement Corp	-	Financial assets at FVTOCI - current	335,640	11,697	-	11,697	
	U-Ming Marine Transport Corporation	-	Financial assets at FVTOCI - current	78,000	4,064	0.01	4,064	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	72,351	3,806	-	3,806	
	Winbond Electronics Corp.	-	Financial assets at FVTOCI - current	130,181	3,964	-	3,964	
	Medigen Biotechnology Corporation	-	Financial assets at FVTOCI - current	28,628	1,282	0.02	1,282	
	Sanitar Co., Ltd.	-	Financial assets at FVTOCI - current	24,000	886	0.03	886	
	China Development Financial	-	Financial assets at FVTOCI - current	13,496	169	-	169	
	First Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	972	27	-	27	
	Capital Securities Corp.	-	Financial assets at FVTOCI - current	875	14	-	14	
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTOCI - current	472	11	-	11	
Luckyship Co.	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	49,006	336	0.35	336	

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds at the end of the year.

Note 2: Financial assets at FVTOCI: Fair value of listed shares is based on their closing price at the end of the year. Fair value of non-listed shares is estimated by the fair value method.

Note 3: Please refer to Table 6 for information regarding subsidiaries.

TABLE 4

LUCKY CEMENT CO. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% of Total (Note)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note)	
Lucky Cement Co.	Luckicon Ready-mixed Co.	Subsidiary	Sale	$ (576,261)	(15.37)	About 90 days	Similar to general transactions	Similar to general transactions	Accounts receivable $ 46,380	7.50	Note 2
									Notes receivable 56,194	9.09	Note 2
	Fuan Mining Co., Ltd.	Other related parties	Purchase	336,298	20.69	About 90 days	Agreed	Similar to general transactions	Trade payables (36,067)	(9.51)	
									Notes payable (61,225)	(16.15)	

Note 1: The rate is calculated in accordance with individual financial statements of each company.

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

TABLE 5

LUCKY CEMENT CO. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 2)		Turnover Rate (Note 1)	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
Lucky Cement Co.	Luckicon Ready-mixed Co.	Subsidiary	Notes and accounts receivable	$ 102,574	5.97	$ -	-	$ 102,574	$ -
			Other receivables	148	-	-	-	148	-
	Dasheng Enterprise	Subsidiary	Other receivables	120,228 (Note 3)	-	-	-	228	-

Note 1: Calculated based on each company's financial information.

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

Note 3: Of this amount, $120,000 thousand is the financing of its funds and $228 thousand is the interest receivable and the receivable payment.

LUCKY CEMENT CO. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Address	Main Businesses and Products	Original Investment Amount (Note 2)		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss) Recognized (Note 1)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership	Carrying Value			
Lucky Cement Co.	Dasheng Enterprise	14F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Sale and lease of real estate	$ 2,367,473	$ 2,367,473	171,452,511	99.99	$ 2,553,919	$ (119,673)	$ (119,669)	
	Luckicon Ready-mixed Co.	No. 191, Sec. 1, Meishi Rd., Yangmei Dist., Taoyuan City 326, Taiwan (R.O.C.)	Manufacturing and trading of ready-mixed concrete	350,000	350,000	57,340,000	100.00	923,671	177,665	177,721 (Note 3)	
	Lucky Cement Corp., Japan	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	82,300	82,300	6,800	100.00	7,418	(9,233)	(9,233)	
	Luckyship Marine Co.	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Shipping agent	88,615	88,615	2,000,000	100.00	18,129	(4,575)	(4,580) (Note 4)	
Luckicon Ready-mixed Co.	Fuyu Development Company	13F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	On land clay and stone quarrying	12,571	12,571	1,000,000	100.00	8,042	2,668	2,668	

Note 1: The amounts were calculated based on audited financial statements.

Note 2: The original investment amount includes capital reduction for cover accumulated deficits in prior years.

Note 3: The difference is transactions realized gain of $56 thousand.

Note 4: The difference is transactions unrealized gain of $5 thousand.

Note 5: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	%of Consolidated Net Revenue or Total Assets
0	Lucky Cement Co.	Luckicon Ready-mixed Co.	a	Notes receivable	$ 56,194	About 90 days	0.56
		Luckicon Ready-mixed Co.	a	Accounts receivable	46,380	About 90 days	0.47
		Luckicon Ready-mixed Co.	a	Other receivables	149	About 90 days	-
		Luckicon Ready-mixed Co.	a	Contract liabilities	12,592	About 90 days	0.13
		Luckicon Ready-mixed Co.	a	Sales revenue	576,261	About 90 days	11.31
		Luckicon Ready-mixed Co.	a	Rental income	1,525	30 days	0.03
		Luckicon Ready-mixed Co.	a	Interest income	1,246	30 days	0.02
		Fuyu Development Company	a	Other receivables	1	About 90 days	-
		Fuyu Development Company	a	Other payables	706	About 90 days	0.01
		Fuyu Development Company	a	Cost of sales	1,848	About 90 days	0.04
		Fuyu Development Company	a	Rental income	9,750	30 days	0.19
		Fuyu Development Company	a	Other income	1,200	30 days	0.02
		Luckyship Marine Co.	a	Other receivables	3	About 90 days	-
		Luckyship Marine Co.	a	Rental income	276	30 days	0.01
		Dasheng Enterprise	a	Other receivables - financing	120,000	Financing, the repayment period is one year	1.20
		Dasheng Enterprise	a	Other receivables	227	About 90 days	-
		Dasheng Enterprise	a	Rental income	90	30 days	-
		Dasheng Enterprise	a	Interest income	2,175	30 days	0.04
1	Luckicon Ready-mixed Co.	Dasheng Enterprise	c	Sales revenue	286	About 90 days	0.01

Note 1: The flow of transactions is as follows:

a. From the parent to the subsidiary.
b. From the subsidiary to the parent.
c. From the subsidiary to the subsidiary.

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

TABLE 8

LUCKY CEMENT CO.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Changheng Investment Co.	52,631,034	13.00
East Life Biotech Co.	30,378,008	7.50
Jinli Investment Co.	25,230,451	6.23
RI KON Construction Co.	22,658,066	5.59
Yung-Sheng Development Enterprise Co.	22,514,509	5.56
Lucky Construction Co.	22,091,152	5.45

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

VI. If the company and its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation: None.

Seven. Review and Analysis of the Financial Position and Performance and Risk Management

I. Financial position

Comparison of financial status (consolidated):

Unit: in NT$1,000

Item \ Year	End of 2023	2022	Difference	
			Amount	%
Current Assets	$5,955,830	$5,919,810	$36,020	0.61
Property, plant and equipment	3,415,001	3,023,515	391,486	12.95
Other Assets	599,042	718,546	(119,504)	-16.63
Total assets	9,969,873	9,661,871	308,002	3.19
Current liabilities	3,297,728	3,488,531	(190,803)	-5.47
Non-current Liabilities	1,601,320	1,267,551	333,769	26.33
Total Liabilities	4,899,048	4,756,082	142,966	3.01
Capital stock	4,047,380	4,047,380	0	0.00
Capital surplus	18	18	0	0.00
Retained earnings	1,060,033	949,376	110,657	11.66
Other equity interests	(36,673)	(91,055)	54,382	-59.72
Non-controlling interests	67	70	(3)	-4.29
Total shareholders equity	5,070,825	4,905,789	165,036	3.36

Analysis of percentage increase / decrease:
The increase in real property and non-current liabilities was mainly due to borrowings to land purchase and factory construction.
Other equities decreased mainly due to decreased unrealized gains/losses on financial assets held for investments.

II. Financial performance

Comparison of operating results (consolidated):

Unit: in NT$1,000

	End of 2023		2022		Comparison of operating results (consolidated):	Change in % (%)
	Subtotal	Total	Subtotal	Total		
Total revenue	$5,100,194		$4,152,720		$947,474	22.82
Less: Sales discount	3,467		3,467		(1,984)	57.23
Net revenue		5,094,743		4,149,253	945,490	22.79
Operating cost		4,211,831		3,158,473	1,053,358	33.35
Gross profit		882,912		990,780	(107,868)	-10.89
Operating expenses		272,879		279,804	(6,925)	-2.47
Other net gains and losses		2,328		453	1,875	413.91
Operating income (loss)		612,361		711,429	(99,068)	-13.93
Non-operating income and expenses		47,389		(23,407)	70,796	-302.46
Pre-tax net income (loss) from continuing operation		659,750		688,022	(28,272)	-4.11
Income tax expense (benefit)		132,614		106,801	(25,813)	24.17
Net gain of current year from continuing operations		527,136		581,221	(54,085)	-9.31
Loss from discontinued operations		0		0	0	-
Net income (loss) after tax		527,136		581,221	(54,085)	-9.31
Other comprehensive income for the year (net)		(38,310)		(78,163)	39,853	-50.99

Total comprehensive income		$488,826		$503,058	(14,232)	-2.83

Analysis of percentage increase / decrease:

1. While revenue increased compared to the previous year, gross profit, operating profit, and the net profit after tax decreased. This was mainly due to a decline in the value of land held by the consolidated entity, Dai Shen Development Co., Ltd., resulting in an impairment loss during the current period.
2. The increase in other incomes and net expense losses was mainly due to the increase in gain from disposal of equipment.
3. The decrease in net non-operating income and expenses and net amount in other comprehensive income was mainly due to the increase in dividend income from investments and decrease in unrealized losses on investment financial assets.

III. Cash flow

Review and Analysis of Consolidated Cash Flow Statement

Analysis of Cash Flow

Unit: NT$ 1000

Opening Balance	Cash flow from operating activities	Cash used for the year	Amount of cash surplus (shortfall)	Remedy for insufficient cash	
				Investment plan	Financing plan
269,974	645,226	631,643	283,737	—	—

1. Analysis of the changes in cash flow of the current year:
   (1) Operating activities: Mainly from operating profit, etc.
   (2) Investing activities: Mainly due to the purchase of property, plant and equipment.
   (3) Financing activities: Mainly for paying dividends and repaying loans.
2. Remedy and flow analysis for the cash shortfalls: None.
3. (II) Cash flow analysis for the coming year:
   Cash flow balance at the beginning of the year① NTD 283,737 thousand
   Expected net cash flow from operating activities for the year② = NTD 482,750 thousand
   Estimated cash outflow for the year③ = NTD 500,905 thousand
   Estimated cash surplus (deficit) amount① +② -③ = NTD 265,582 thousand

IV. Impact of major capital expenditures on financial operations

In addition to the routine capital expenditures in 2023, the new plant of the subsidiary, Luckicon Ready Mixed Concrete Factory Co., Ltd., located in Shulin District, New Taipei City and Luzhu District, Taoyuan City, is actively under construction.

The capital expenditure in 2023 amounted to NTD 275 million, which is expected to increase revenue and reduce expenses.

V. The Company's investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving investment profitability, and investment plans for the coming year

In the most recent year, we have developed the industry related to our business to expand the scale of operations and achieve both vertical division of work and horizontal integration, hoping that investment in subsidiaries will improve the business.

Reinvestment status in 2023:

1. The land of Dai Shen Development Co., Ltd., was recognized as a loss based on the evaluation report, resulting in a loss in this period.
2. Luckicon Ready Mixed Concrete Factory Co., Ltd.. is benefiting from the stabilization of the real estate industry and the increase in demand. In addition, the Shulin and Luzhu plants are currently under construction and are expected to be completed in Q4 of 2024.
3. In 2021, Luckyship Marine Agency Co., Ltd., suffered continued losses due to its shipping business in 2021, and

its Board of Directors decided to dispose of the vessel. Therefore, Luckyship Marine Agency Co., Ltd., currently has no main business items and plans to align with the parent company's business in the future and move towards the construction and operation of ports and terminals.

4. Lucky Cement Corp., Japan had ceased operations after the Board of Directors resolved to dispose of assets on March 15, 2024 due to the difficulty in obtaining raw materials and aging assets and equipment.

VI. Analysis and assessment of risks

(I) **Impact of changes in interest rates and currency exchange and inflation on the Company's profit and loss and the response measures to be taken in the future:**

1. Exchange rate:

Except for some materials obtained through imports, all others are sourced domestically. Additionally, all products manufactured are for domestic sales. Therefore, the foreign currency exposure of the Company constitutes a small proportion of the total assets, mainly consisting of short-term loans maturing within a year. At the end of 2023, there was no foreign currency borrowing liabilities, and the foreign currency exchange loss in the current year was NTD 1,191 thousand. In order to reduce the risks arising from changes in the exchange rate, we conduct long-term monitoring of international economic and financial changes and review the Company's potential risk exposure in the position of foreign currency, and, depending on the need to plan for the use of foreign currency, avoid or reduce potential risks. Our financial hedging strategy is meant to avoid most market price or cash flow risks.

2. Exchange rate:

In 2023, except that the previous long-term and short-term loans were due and repaid on time, the short-term loans decreased by NTD 436,219 thousand, and long-term loans increased by NTD 297,500 thousand, and the total loan amount was NTD 2,908,777 thousand, accounting for 29.18% of the total assets, a decrease of 4.55% compared to 2022. Interest expenses for the year amounted to NTD 57,039 thousand, representing 1.12% of net revenue. Due to the fluctuation of interest rates being closely related to the prosperity of the economy, the Company's current financial structure is still considered safe. Although there is regional growth in the global economy, momentum remains unstable. Additionally, the domestic political and economic environment is turbulent, with a high possibility of future interest rate hikes. In order to reduce the possible increase in interest expenses in the future due to the rising interest rates, we continue to improve the financial structure, and will take more rigorous and effective capital planning and use measures.

3. Inflation:

As our product prices have a positive correlation with inflation, the impact of inflation on the profit and loss should not be too great.

(II) **The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives transactions is the main reason contributing to its profits and losses and the response measures to be taken in the future:**

We do not engage in high-risk or highly leveraged investments. In the event of acquisition or disposal of mater assets, loaning funds to others, endorsement guarantees and derivative transactions, we follow the policies and procedures stipulated in the Measures for Handling Acquisition or Disposal of Assets; Procedures for Lending Funds to Others; Handling Procedures for Derivatives Transactions; and Operating Procedures for Loans to Others and Endorsement and Guarantee.

(III) **The most recent annual R&D plan, the current progress of the unfinished R&D plan, the additional R&D expenses to be committed, the estimated time to complete mass production, and the main factors affecting the success of R&D in the future:**

The Company operates in the cement manufacturing industry, producing mature products commonly used in construction materials. However, in order to achieve the national long-term GHG reduction targets, we are conducting R&D on Portland limestone cement to gradually replace Type I Portland cement. This transition will reduce the carbon footprint generated during cement production.

In the future, the Company will continue to optimize production equipment, increase operational rate, improve product quality, and provide customers with better products and services. In addition, we will active invest in the reuse of waste to reduce the consumption of natural resources, so that economic resources can be recycled.

(IV) **Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:**

1. The Company has cooperated with the competent authority In the revision of policies and laws in corporate governance, the Company Act, the Securities and Exchange Act and others, and currently there is no significant impact on the finances.
2. The implementation of the new labor pension system has no impact on the finances of the Company because the we have already allocated pensions in accordance with the law.
3. The pension reserves for employees who choose the old pension system have also been fully deposited to the pension fund account on March 31, 2016; and the shortfall amount will be deposited according to the actuary's report at the end of March every year.
4. The amendment of the Mining Act and the substantial increase in the special mining tax will inevitably increase cost to suppress our gross profit, so we will apply rigorous control of cost to make breakthroughs.

(V) **Impact of technological changes (including cybersecurity risks) on the Company's finances and countermeasures in most recent year:**

Our products are used in general public works and private construction projects. The construction methods and inspection standards have not been significantly changed, so there is no impact on the finances.

We have a clear policy on network security. The policy has strict control and management measures on information security duties, education and training, information security operations and protection, network security management, and system access control, so it has no impact on the Company's finances.

(VI) **Effect on the Company's crisis management from changes in the Company's corporate image, and measures to be taken in response:**

We have always adhered to the business philosophy of taking stable and conservative approach and prioritizing corporate image and risk control. However, the cement industry has entered a matured phase with limited growth, so we have been actively looking for new business opportunities.

(VII) **Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being taken in the most recent year:** None

(VIII) **Expected benefits and possible risks associated with any plant expansion, and mitigation measures being taken in the most recent year:**

The Company’s subsidiary, Luckicon Ready Mixed Concrete Factory Co., Ltd., aims to expand distribution channels and sustainably deepen its presence in the domestic cement market. To achieve this goal, it has acquired land in the Sanjiaopu section of Shulin District, New Taipei City, and the Fuhai section of Luzhu District, Taoyuan City. Currently, active planning is underway for the construction of a new plant. The two new plants will form a network with the two existing plants in Sanxia, New Taipei City and Puxin, Taoyuan, and provide better delivery and service quality to improve the market share. The cement industry is considered part of the cyclical industry, and the construction of the plants will help us mitigate the impact of the market fluctuations during economy cycles.

(IX) **Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being taken in the most recent year:**

We are well aware of the risk of concentrated purchase/sales, so we have always adopted a policy of diversifying sourcing in terms of purchases. Except for the purchase of special minerals and fixed suppliers, there is no concentrated purchase from the same supplier. In terms of sales, we also adopt the diversification of risks and implement credit management. Except for domestic publicly traded (or OTC) companies that have been evaluated according to their operations and financial situation, and our affiliated companies that are given credit sales, the rest mainly pay in advance. In terms of risk assessment of account recovery, the situation with public traded (or OTC) firms and our affiliates is considered good. As for clients who pay in advance, if the debt has not been incurred, we do not assess the checks received. Once the clients accept the delivery, the debt is incurred and the checks are not cleared, we estimate the debt provisions based on the part that has been due and not yet cleared.

(X) **Effect upon and risk to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:** None.

(XI) **Effect upon and risk to Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:** None.

(XII) **Litigation or non-litigation incidents:** None.

(XIII) **Other important risks, and mitigation measures being or to be taken:**

In order to strengthen the control of business risks, we have structured an informal organizational system specifically for general day-to-day operating activities and emergencies to respond to:

1. Business meetings:

Every month, the Accounting Department is responsible for compiling business review materials. The chairman personally chairs the business meetings, and convenes the supervisors of the Sales Department and factories to review the Company's operations, production and sales, track the budget implementation, and formulate improvement plans.

2. Supervisor meetings:

Every month, the chairman convenes the top supervisors of all operating units to attend the meeting. They report the status of their works, review and follow up on the various works and assess the impact of internal and external economic or non-economic conditions on the existing business policies, strategies and objectives, and then formulate adjustment strategies and solutions after deliberation.

3. Emergency notification system:

In order to handle the occurrence of major emergencies and reduce possible damages, we have formulated the Operating Measures for Emergency Notification System as a guide for various operating units and personnel to take responsive measures in the event of emergency incidents.

4. Information security risk:

We have a clear policy on network security. The policy has strict control and management measures on information security duties, education and training, information security operations and protection, network security management, and system access control shown as follows:

(1). Information security responsibilities and training for education

- For those who handle sensitive and confidential information and those who need to be given system management authorization due to work requirements, we properly implement division of labor, assign power and responsibilities, establish an evaluation and assessment system, and establish a mutual support system for personnel as needed.
- For personnel who have resigned, taken a temporary leave or been suspended, we take appropriate procedures and immediately cancel the access authorization to various system resources.
- We organize information safety education, training and promotion sessions based on the roles and job functions of personnel at different levels to help them understand the importance of information security and various potential risk, improve their awareness and obey information security rules.
- We regularly organize information security seminars to improve the capabilities of information security personnel, and check for internal security gaps to reinforce the defense measures.

(2). Information security operating procedures and protection.

- Establish operating procedures for handling information security incidents, and assign necessary responsibilities to relevant personnel, so information security incidents can be resolved quickly and effectively.
- Establish change management notification measures for information facilities and systems in order to prevent loopholes in system security.
- Prudently handle and protect personal information in accordance with the relevant provisions of the Personal Information Protection Act.
- Establish system redundancy facilities and regularly perform necessary information, software backup and redundancy operations, so that operations can be quickly restored in the event of a disaster or storage media failure.
- Regular backup of SAP ERP system database and annual SAP system disaster recovery drills, and establish remote data backup and system redundancy to ensure that the system environment can be quickly rebuilt when a disaster occurs, maintaining the normal operation of the Company.
- The Company's email system policy refuses to receive compressed files and executable files from external parties.
- Access control should be implemented to the restricted areas of computer rooms.

(3). Network security management

- For the dots connected to the external network, establish firewalls to control data transmissions and resources access between the external and internal networks. Implement rigorous identification procedures to block unauthorized access from the internal and external networks.
- Confidential and sensitive information or documents are not stored in the information system open to outside parties, and confidential documents are not sent by e-mail.
- Regularly check the information security facilities and anti-virus functions of the internal network, install anti-virus software on the user side to reduce the risk of infection, and update the virus code and anti-virus engine of the anti-virus system and various security measures.

(4) System access control

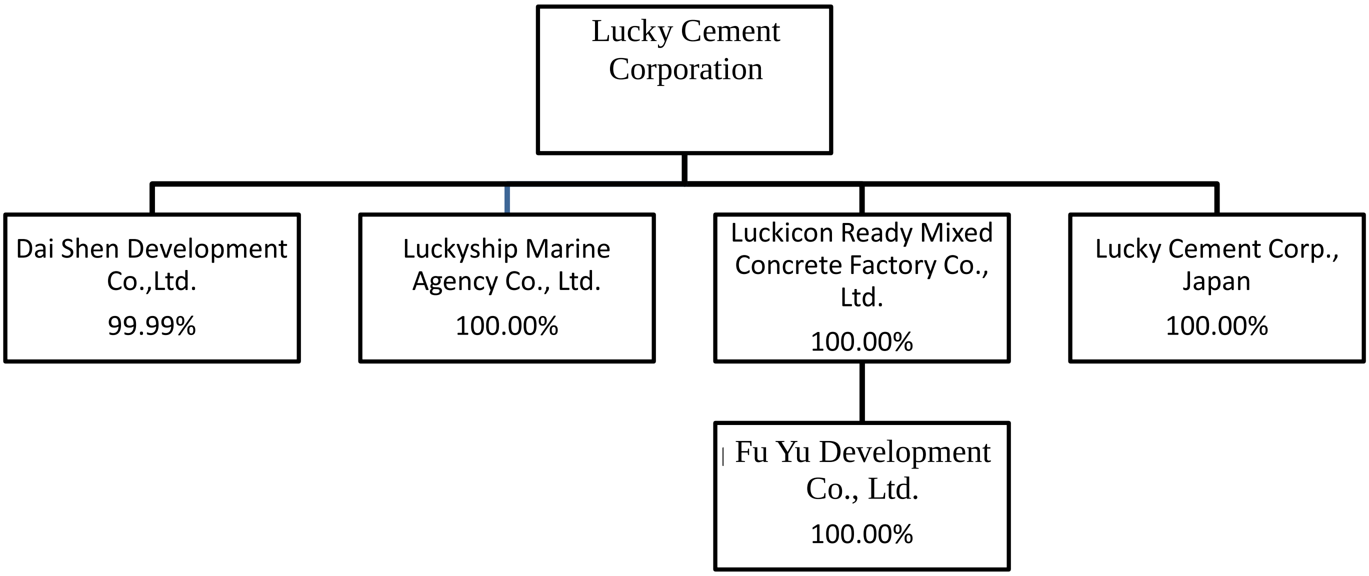
- According to the operating system and security management requirements, establish procedures for and keep records of issuing and changing passwords.
- The system administration personnel of the Information Department set up accounts and passwords for personnel at all levels logging into the operating systems with authorization level appropriate for them, and regularly update the accounts and passwords.
- We rigorously control the account and file access authorization levels for each system, and unauthorized personnel are prohibited from accessing the information not in their authorization levels, so as to ensure the confidentiality of the Company's information.
- Account access requires the passwords that have appropriate strength and number of characters, and must be a mix of alphanumeric characters and symbols for access.
- Add USB control software to register and control the use of external access devices in various departments. Only the storage devices certified by the Information Department can access data, so as to prevent computer infection caused by users carelessly plugging and unplugging USB devices.

VII. Other important matters: None

Eight. Special Matters to be Included

I. Information related to the Company's affiliates.

1. Organizational chart of affiliates



Note: On March 15, 2024, the Company's Board of Directors resolved to dispose of the main assets of Lucky Cement Corp., Japan and subsequently ceased its operations and proceeded with dissolution.

2. Basic information of each affiliate:

Company Name	Date of Establishment	Address	Paid-in capital	Main business activities or products
Dai Shen Development Co.,Ltd.	December 1969	14th Floor, No. 237, Songjiang Road, Zhongshan District, Taipei City	NTD 1,714,570 thousand	Construction business
Luckyship Marine Agency Co., Ltd.	July 1993	13th Floor, No. 237, Songjiang Road, Zhongshan District, Taipei City	NT$20,000 thousand	Shipping agent Maritime transport
Luckicon Ready Mixed Concrete Factory Co., Ltd.	May 1993	No. 191, Section 1, Meishi Road, Yong-Ping Village, Yangmei District, Taoyuan County	NTD 573,400 thousand	Manufacturing and sales of ready-mix concrete
Lucky Cement Corp., Japan	June 1987	12 Tamatsuuramachi, Hekinan, Aichi 447-0834, Japan	￥100,000 thousand	Sales of cement
Fu Yu Development Co., Ltd.	November 2007	13th Floor, No. 237, Songjiang Road, Zhongshan District, Taipei City	NT$10,000 thousand	Soil and stone mining industry

3. Information on the controlling and subordinate companies presumably sharing the same shareholders: None.

4. Directors and Supervisors of Affiliated Companies

December 31, 2023

Company Name	Title	Name or Representative	Shareholding	
			Number of Shares	Ownership
Dai Shen Development Co.,Ltd.	Chairman	Liang-Chuan Chen (Lucky Cement)	171,452,511	99.99%
	Director	Ching-Chi Hsiao (Lucky Cement)	171,452,511	99.99%
	Director	Yun-Ju Chen (Lucky Cement)	171,452,511	99.99%
	Supervisor	Cheng-Liang Lin	—	—
Luckyship Marine Agency Co., Ltd.	Chairman	Liang-Chuan Chen (Lucky Cement)	2,000,000	100.00%
	Director	Ching-Shui Kuo (Lucky Cement)	2,000,000	100.00%
	Director	Yun-Ju Chen (Lucky Cement)	2,000,000	100.00%
	Supervisor	Hsiu-Chu Wen	—	—
Luckicon Ready Mixed Concrete Factory Co., Ltd.	Chairman	Liang-Chuan Chen (Lucky Cement)	57,340,000	100.00%
	Director	Yun-Ju Chen (Lucky Cement)	57,340,000	100.00%
	Director	Hsiu-Chu Wen (Lucky Cement)	57,340,000	100.00%
	Supervisor	Chia-Jui Liu (Lucky Cement)	57,340,000	100.00%
Lucky Cement Corp., Japan	Chairman	Liang-Chuan Chen (Lucky Cement)	6,800	100.00%
	Director	Yun-Ju Chen (Lucky Cement)	6,800	100.00%
	Director	Hsiu-Chu Wen (Lucky Cement)	6,800	100.00%
	Supervisor	Chia-Hui Lin (Lucky Cement)	6,800	100.00%
Fu Yu Development Co., Ltd.	Chairman	Ching-Hung Chen (Luckicon)	1,000,000	100.00%
	Director	Chun-Jen Chen (Luckicon)	1,000,000	100.00%
	Director	Chia-Hui Lin (Luckicon)	1,000,000	100.00%
	Supervisor	Lung-Hsiung Chang (Luckicon)	1,000,000	100.00%

5. Business sectors covered by other affiliates:

(1) Manufacture, processing, sales and distribution of cement and cement products.

(2) Mining, manufacturing, processing, sales and distribution of raw materials for cement, raw materials for cement products and various ores

(3) Construction business

(4) Maritime transport

(5) Manufacturing and sales of ready-mix concrete

(6) Investment

(7) Shipping agent

(8) Soil and stone mining industry

6. Overview of the business operations of each affiliateUnit: in NT$1,000; Earnings per share (NT$)

December 31, 2023

Company Name	Paid-in capital	Total assets	Total Liabilities	Net value	Operating revenue	Operating income	Profit and loss for the period	Earnings per share (after taxes) (NT$)
Dai Shen Development	1,714,570	3,541,496	987,510	2,553,986	114	(102,058)	(119,673)	(0.70)
Luckicon Ready Mixed Concrete	573,400	2,406,774	1,482,651	924,123	1,811,552	226,182	177,665	3.10
Luckyship Marine Agency Co., Ltd.	20,000	22,420	4,290	18,130	—	(4,868)	(4,575)	(2.29)
Lucky Cement Corp., Japan	24,165	7,575	157	7,418	7,471	(9,172)	(9,233)	—
Fu Yu Development Co.,	10,000	32,083	24,041	8,042	104,077	3,156	2,668	2.67

7. Affiliated Enterprise Consolidated Financial Statements

Affiliated Enterprise Consolidated Financial Statements Declaration

In 2023 (from January 1 to December 31, 2023), companies that are required to prepare consolidated financial statements of affiliates according to the “Regulations Governing the Preparation of Consolidated Financial Statements of Affiliates and Related Reports” are the same as those required to prepare consolidated financial statements of parent and subsidiary companies according to IFRS No. 10. Furthermore, the relevant information required to be disclosed in the consolidated financial statements of affiliates has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. Therefore, separate preparation of consolidated financial statements of affiliates is not required.

Very truly yours

Company Name: Lucky Cement Corporation

Responsible person: Liang-Chuan Chen

March 26, 2023

II. Status of private placement of securities during the most recent fiscal year or up to the date of publication of the annual report: None

III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or up to the date of publication of the annual report: None

IV. Other matters that require additional description: None

Nine. Matters with Significant Impact on Shareholder Equity or Share Price in 2021 and as of the Date of Publication of Annual Report: None

Lucky Cement Corporation

Chairman Liang-Chuan Chen