# Lucky Cement Co. and Subsidiaries

## Consolidated Financial Statements for the Three Months Ended March 31, 2025 and 2024 and Independent Auditors' Review Report

Deloitte.

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# INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Lucky Cement Co.

## Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Co. and its subsidiaries (collectively, the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information. 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and enforced by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

## Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph had not been reviewed. As of March 31, 2025 and 2024, the combined total assets of these non-significant subsidiaries were NT$19,173 thousand and NT$27,393 thousand, respectively, both representing 0% of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$3,332 thousand and NT$13,969 thousand, respectively, both representing 0% of the consolidated total liabilities; for the three months ended March 31, 2025 and 2024, the combined comprehensive losses of these subsidiaries were NT$480 thousand and NT$11,958 thousand, respectively, representing 0% and (10%), respectively, of the consolidated total comprehensive income.

**Qualified Conclusion**

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and enforced by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chao-Mei Chen and Chiang-Shiun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 9, 2025

*Notice to Readers*

*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 review such consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.*

# LUCKY CEMENT CO. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**
**(In Thousands of New Taiwan Dollars)**

| | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | |
|---|---|---|---|---|---|---|
| **ASSETS** | **Amount** | **%** | **Amount** | **%** | **Amount** | **%** |
| CURRENT ASSETS | | | | | | |
| Cash (Note 6) | $ 291,270 | 3 | $ 493,514 | 5 | $ 259,667 | 3 |
| Financial assets at fair value through profit or loss - current (Note 7) | 10,375 | - | 10,944 | - | 11,884 | - |
| Financial assets at fair value through other comprehensive income - current (Note 8) | 103,032 | 1 | 98,511 | 1 | 100,483 | 1 |
| Financial assets at amortized cost - current (Notes 9 and 34) | 62,720 | 1 | 62,720 | 1 | 77,369 | 1 |
| Notes receivable (Notes 10, 26 and 34) | 369,734 | 4 | 502,191 | 5 | 408,425 | 4 |
| Notes receivable from related parties (Notes 26 and 33) | 7,000 | - | - | - | - | - |
| Accounts receivable (Notes 10 and 26) | 509,128 | 5 | 590,243 | 6 | 604,106 | 6 |
| Accounts receivable from related parties (Notes 26 and 33) | 10,247 | - | 10,374 | - | 11,317 | - |
| Other receivables (Note 10) | 1,759 | - | 1,202 | - | 486 | - |
| Other receivables from related parties (Note 33) | 1,089 | - | 825 | - | 386 | - |
| Inventories (Notes 11 and 34) | 4,172,116 | 41 | 4,091,550 | 39 | 4,181,377 | 43 |
| Prepayments (Note 13) | 148,641 | 1 | 108,937 | 1 | 115,198 | 1 |
| Non-current assets held for sale (Notes 4 and 14) | - | - | - | - | 3,411 | - |
| Other current assets (Note 15) | 26,604 | - | 27,783 | - | 28,725 | - |
| Total current assets | 5,713,715 | 56 | 5,998,794 | 58 | 5,802,834 | 59 |
| NON-CURRENT ASSETS | | | | | | |
| Financial assets at fair value through other comprehensive income - non-current (Note 8) | 13,179 | - | 10,372 | - | 10,513 | - |
| Financial assets at amortized cost - non-current (Notes 9 and 34) | 179,769 | 2 | 179,761 | 2 | 179,695 | 2 |
| Property, plant and equipment (Notes 16 and 34) | 3,827,235 | 38 | 3,810,755 | 36 | 3,514,772 | 35 |
| Right-of-use assets (Note 17) | 120,358 | 1 | 129,785 | 1 | 165,043 | 2 |
| Deferred tax assets (Note 4) | 69,774 | 1 | 70,326 | 1 | 70,771 | 1 |
| Refundable deposits | 20,072 | - | 21,371 | - | 21,729 | - |
| Net defined benefit assets (Note 4) | 10,879 | - | 10,209 | - | - | - |
| Other non-current assets (Note 18) | 245,319 | 2 | 199,894 | 2 | 114,344 | 1 |
| Total non-current assets | 4,486,585 | 44 | 4,432,473 | 42 | 4,076,867 | 41 |
| TOTAL | $ 10,200,300 | 100 | $ 10,431,267 | 100 | $ 9,879,701 | 100 |

| **LIABILITIES AND EQUITY** | | | | | | |
|---|---|---|---|---|---|---|
| CURRENT LIABILITIES | | | | | | |
| Short-term borrowings (Notes 19 and 34) | $ 1,293,000 | 13 | $ 1,534,000 | 15 | $ 888,500 | 9 |
| Short-term bills payable (Note 19) | 488,965 | 5 | 459,451 | 4 | 199,458 | 2 |
| Contract liabilities (Note 26) | 738,894 | 7 | 794,062 | 8 | 760,401 | 8 |
| Notes payable (Note 20) | 257,530 | 3 | 275,789 | 3 | 283,083 | 3 |
| Notes payable to related parties (Notes 20 and 33) | 33,626 | - | 24,531 | - | 53,197 | 1 |
| Accounts payable (Note 20) | 241,447 | 2 | 187,719 | 2 | 174,413 | 2 |
| Accounts payable to related parties (Notes 20 and 33) | 50,914 | - | 42,459 | - | 38,479 | - |
| Other payables (Note 21) | 498,218 | 5 | 240,923 | 2 | 629,205 | 6 |
| Other payables to related parties (Note 33) | 175,227 | 2 | 82,196 | 1 | 136,079 | 1 |
| Current tax liabilities | 69,414 | 1 | 38,476 | - | 169,344 | 2 |
| Provisions (Notes 4, 5 and 22) | 2,574 | - | - | - | - | - |
| Lease liabilities - current (Notes 17 and 33) | 47,779 | - | 52,734 | 1 | 53,088 | - |
| Current portion of long-term borrowings (Notes 19 and 34) | 615,300 | 6 | 428,000 | 4 | 293,750 | 3 |
| Other current liabilities | 2,138 | - | 3,215 | - | 1,969 | - |
| Total current liabilities | 4,515,026 | 44 | 4,163,555 | 40 | 3,680,966 | 37 |
| NON-CURRENT LIABILITIES | | | | | | |
| Long-term borrowings (Notes 19 and 34) | 468,700 | 5 | 872,500 | 8 | 1,157,250 | 12 |
| Deferred tax liabilities (Note 4) | 32,525 | - | 31,162 | - | 25,980 | - |
| Lease liabilities - non-current (Notes 17 and 33) | 74,479 | 1 | 79,071 | 1 | 113,521 | 1 |
| Other payables to related parties (Note 33) | 40,000 | - | 40,000 | - | 40,000 | 1 |
| Net defined benefit liabilities (Note 4) | - | - | 1,162 | - | 21,271 | - |
| Guarantee deposits received | 53,133 | 1 | 58,073 | 1 | 59,790 | 1 |
| Total non-current liabilities | 668,837 | 7 | 1,081,968 | 10 | 1,417,812 | 15 |
| Total liabilities | 5,183,863 | 51 | 5,245,523 | 50 | 5,098,778 | 52 |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25) | | | | | | |
| Share capital | | | | | | |
| Ordinary shares | 4,047,380 | 39 | 4,047,380 | 39 | 4,047,380 | 41 |
| Capital surplus | 18 | - | 18 | - | 18 | - |
| Retained earnings | | | | | | |
| Legal reserve | 391,927 | 4 | 341,022 | 3 | 341,022 | 4 |
| Special reserve | 26,056 | - | 36,673 | - | 36,673 | - |
| Unappropriated earnings | 574,149 | 6 | 786,641 | 8 | 399,712 | 4 |
| Total retained earnings | 992,132 | 10 | 1,164,336 | 11 | 777,407 | 8 |
| Other equity | (23,159) | - | (26,056) | - | (43,949) | (1) |
| Total equity attributable to owners of the Company | 5,016,371 | 49 | 5,185,678 | 50 | 4,780,856 | 48 |
| NON-CONTROLLING INTERESTS | 66 | - | 66 | - | 67 | - |
| Total equity | 5,016,437 | 49 | 5,185,744 | 50 | 4,780,923 | 48 |
| TOTAL | $ 10,200,300 | 100 | $ 10,431,267 | 100 | $ 9,879,701 | 100 |

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

(With Deloitte & Touche review report dated May 9, 2025)

# LUCKY CEMENT CO. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | Amount | % | Amount | % |
| OPERATING REVENUE (Notes 26 and 33) | | | | |
| Sales | $ 1,213,293 | 100 | $ 1,193,790 | 100 |
| Less: Discounts and allowances | 583 | - | 822 | - |
| Total operating revenue | 1,212,710 | 100 | 1,192,968 | 100 |
| OPERATING COSTS (Notes 11, 27 and 33) | 975,687 | 81 | 967,758 | 81 |
| GROSS PROFIT | 237,023 | 19 | 225,210 | 19 |
| OPERATING EXPENSES (Notes 10, 27 and 33) | | | | |
| Selling and marketing expenses | 31,117 | 2 | 29,165 | 2 |
| General and administrative expenses | 35,860 | 3 | 37,569 | 3 |
| Expected credit gain | (1,415) | - | (2,361) | - |
| Total operating expenses | 65,562 | 5 | 64,373 | 5 |
| OTHER OPERATING INCOME AND EXPENSES (Note 27) | - | - | 711 | - |
| PROFIT FROM OPERATIONS | 171,461 | 14 | 161,548 | 14 |
| NON-OPERATING INCOME AND EXPENSES (Notes 27 and 33) | | | | |
| Interest income | 721 | - | 744 | - |
| Other income | 7,407 | 1 | 5,371 | - |
| Other losses | (2,375) | - | (1,707) | - |
| Financial costs | (12,911) | (1) | (12,682) | (1) |
| Total non-operating expenses | (7,158) | - | (8,274) | (1) |
| PROFIT BEFORE INCOME TAX | 164,303 | 14 | 153,274 | 13 |
| INCOME TAX EXPENSE (Notes 4 and 28) | (32,953) | (3) | (31,162) | (3) |
| NET PROFIT FOR THE PERIOD | 131,350 | 11 | 122,112 | 10 |

(Continued)

# LUCKY CEMENT CO. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

| | For the Three Months Ended March 31 | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| | Amount | % | Amount | % |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | | |
| Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income | $ 2,897 | - | $ (7,108) | - |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of the financial statements of foreign operations | - | - | (168) | - |
| Other comprehensive income (loss), net of income tax | 2,897 | - | (7,276) | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | $ 134,247 | 11 | $ 114,836 | 10 |
| NET PROFIT ATTRIBUTABLE TO: | | | | |
| Shareholders of the Company | $ 131,350 | 11 | $ 122,112 | 10 |
| Non-controlling interests | - | - | - | - |
| | $ 131,350 | 11 | $ 122,112 | 10 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | | | |
| Shareholders of the Company | $ 134,247 | 11 | $ 114,836 | 10 |
| Non-controlling interests | - | - | - | - |
| | $ 134,247 | 11 | $ 114,836 | 10 |
| EARNINGS PER SHARE (NT$; Note 29) | | | | |
| Basic | $ 0.32 | | $ 0.30 | |
| Diluted | $ 0.32 | | $ 0.30 | |

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

(With Deloitte & Touche review report dated May 9, 2025) (Concluded)

## LUCKY CEMENT CO. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**(In Thousands of New Taiwan Dollars)**

| | Equity Attributable to Owners of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Retained Earnings | | | Other Equity | | | | |
| | Ordinary Shares | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Exchange Differences on Translation of the Financial Statements of Foreign Operations | Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income | Total | Non-controlling Interests | Total Equity |
| BALANCE ON JANUARY 1, 2024 | $ 4,047,380 | $ 18 | $ 297,577 | $ 91,055 | $ 671,401 | $ 2,721 | $ (39,394) | $ 5,070,758 | $ 67 | $ 5,070,825 |
| Appropriation of 2023 earnings | | | | | | | | | | |
| Legal reserve | - | - | 43,445 | - | (43,445) | - | - | - | - | - |
| Special reserve | - | - | - | (54,382) | 54,382 | - | - | - | - | - |
| Cash dividend | - | - | - | - | (404,738) | - | - | (404,738) | - | (404,738) |
| Net profit for the three months ended March 31, 2024 | - | - | - | - | 122,112 | - | - | 122,112 | - | 122,112 |
| Other comprehensive loss for the three months ended March 31, 2024 | - | - | - | - | - | (168) | (7,108) | (7,276) | - | (7,276) |
| Total comprehensive income (loss) for the three months ended March 31, 2024 | - | - | - | - | 122,112 | (168) | (7,108) | 114,836 | - | 114,836 |
| BALANCE ON MARCH 31, 2024 | $ 4,047,380 | $ 18 | $ 341,022 | $ 36,673 | $ 399,712 | $ 2,553 | $ (46,502) | $ 4,780,856 | $ 67 | $ 4,780,923 |
| BALANCE ON JANUARY 1, 2025 | $ 4,047,380 | $ 18 | $ 341,022 | $ 36,673 | $ 786,641 | $ - | $ (26,056) | $ 5,185,678 | $ 66 | $ 5,185,744 |
| Appropriation of 2024 earnings | | | | | | | | | | |
| Legal reserve | - | - | 50,905 | - | (50,905) | - | - | - | - | - |
| Special reserve | - | - | - | (10,617) | 10,617 | - | - | - | - | - |
| Cash dividend | - | - | - | - | (303,554) | - | - | (303,554) | - | (303,554) |
| Net profit for the three months ended March 31, 2025 | - | - | - | - | 131,350 | - | - | 131,350 | - | 131,350 |
| Other comprehensive income (loss) for the three months ended March 31, 2025 | - | - | - | - | - | - | 2,897 | 2,897 | - | 2,897 |
| Total comprehensive income (loss) for the three months ended March 31, 2025 | - | - | - | - | 131,350 | - | 2,897 | 134,247 | - | 134,247 |
| BALANCE ON MARCH 31, 2025 | $ 4,047,380 | $ 18 | $ 391,927 | $ 26,056 | $ 574,149 | $ - | $ (23,159) | $ 5,016,371 | $ 66 | $ 5,016,437 |

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

(With Deloitte & Touche review report dated May 9, 2025)

# LUCKY CEMENT CO. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS
**(In Thousands of New Taiwan Dollars)**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before income tax | $ 164,303 | $ 153,274 |
| Adjustments for: | | |
| Depreciation expense | 42,590 | 43,183 |
| Amortization and depletion expense | 194 | 1,970 |
| Expected credit gain reversed on trade receivables | (1,415) | (2,361) |
| Net loss (gain) on fair value changes of financial assets at fair value through profit or loss | 196 | (962) |
| Financial costs | 12,911 | 12,682 |
| Interest income | (721) | (744) |
| Gain on disposal of property, plant and equipment | - | (711) |
| Inventory write-down loss | - | 3,076 |
| Changes in operating assets and liabilities | | |
| Financial assets mandatorily classified as at fair value through profit or loss | 373 | - |
| Notes receivable | 132,457 | 84,711 |
| Accounts receivable | 82,530 | 84,822 |
| Notes receivable from related parties | (7,000) | - |
| Accounts receivable from related parties | 127 | 917 |
| Other receivables | (543) | (41) |
| Other receivables from related parties | (264) | (75) |
| Inventories | (80,566) | 10,807 |
| Prepayments | (39,704) | (20,237) |
| Other current assets | 1,179 | 1,617 |
| Contract liabilities | (55,168) | 239,542 |
| Notes payable | 7,559 | (57,160) |
| Notes payable to related parties | 9,095 | (13,583) |
| Accounts payable | 53,728 | (14,814) |
| Accounts payable to related parties | 8,455 | (3,821) |
| Other payables | (61,180) | (12,531) |
| Other payables to related parties | (2,577) | (348) |
| Provisions | 2,574 | - |
| Other current liabilities | (1,077) | (59) |
| Net defined benefit assets and liabilities | (1,832) | (3,363) |
| Cash generated from operations | 266,224 | 505,791 |
| Interest received | 707 | 653 |
| Interest paid | (18,724) | (16,651) |
| Income tax paid | (100) | (477) |
| Net cash generated from operating activities | 248,107 | 489,316 |

(Continued)

# LUCKY CEMENT CO. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In Thousands of New Taiwan Dollars)**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of financial assets at fair value through other comprehensive income | $ (4,431) | $ (24,235) |
| Purchase of financial assets at amortized cost | (8) | (13,141) |
| Payments for property, plant and equipment (Note 30) | (95,977) | (109,634) |
| Proceeds from disposal of property, plant and equipment | - | 711 |
| Decrease in refundable deposits | 1,299 | 2,317 |
| Increase in other non-current assets | - | (46) |
| Net cash used in investing activities | (99,117) | (144,028) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Decrease in short-term borrowings | (241,000) | (91,000) |
| Increase in short-term bills payable | 30,000 | - |
| Decrease in short-term bills payable | - | (160,000) |
| Proceeds from long-term borrowings | 145,000 | 175,000 |
| Repayments of long-term borrowings | (361,500) | (294,000) |
| Decrease in guarantee deposits received | (4,940) | - |
| Increase in guarantee deposits received | - | 11,110 |
| Increase in other payables to related parties | 95,500 | 3,500 |
| Repayment of the principal portion of lease liabilities | (14,294) | (13,896) |
| Net cash used in financing activities | (351,234) | (369,286) |
| EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES | - | (72) |
| NET DECREASE IN CASH | (202,244) | (24,070) |
| CASH AT THE BEGINNING OF THE PERIOD | 493,514 | 283,737 |
| CASH AT THE END OF THE PERIOD | $ 291,270 | $ 259,667 |

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

(With Deloitte & Touche review report dated May 9, 2025) (Concluded)

## 1. GENERAL INFORMATION

Lucky Cement Co. (the "Company") was established in 1974; its main business is the 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 the Company's functional currency, the New Taiwan dollar.

## 2. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 9, 2025.

## 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)

   Amendments to IAS 21 "Lack of Exchangeability"

   The initial application of the Amendments to IAS 21 "Lack of Exchangeability" did not have a material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

| New, Amended and Revised Standards and Interpretations | Effective Date Announced by IASB |
|---|---|
| Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets | January 1, 2026 (Note) |

   Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

   As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments 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) |
|---|---|
| Annual Improvements to IFRS Accounting Standards - Volume 11 | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity” | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” | 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 17 and IFRS 9 - Comparative Information” | January 1, 2023 |
| IFRS 18 “Presentation and Disclosure in Financial Statements” | January 1, 2027 |
| IFRS 19 “Subsidiaries without Public Accountability: Disclosures” | January 1, 2027 |

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

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended 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 IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

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 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.

c. 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 profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by 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.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

Refer Note 12 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policy information

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Carbon fee provision

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the carbon fee provision is recognized and measured on the basis of the best estimate of the expenditure required to settle the obligation for the current year and the proportion of actual emissions to the total annual emissions.

2) Retirement benefits

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

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

4) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

## 5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The estimates and underlying assumptions are reviewed on an ongoing basis. Except for the following, refer to the statements of material accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2024.

**Key Sources of Estimation Uncertainty**

Carbon fees

In accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC, the management recognizes the carbon fee provision based on the estimate of the chargeable emissions, the preferential rate and the emission adjustment coefficient. The estimate may vary as a result of the change in the estimated possibility in the approval for the self-determined reduction plan or for the recognition as belonging to the industry with high carbon leakage risk from the competent authority. Therefore, the estimated amount of provision is subject to a higher degree of estimation uncertainties. The carrying amount of the carbon fee provision as of March 31, 2025 is disclosed in Note 22.

## 6. CASH

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Cash on hand and revolving funds | $ 1,566 | $ 1,547 | $ 1,533 |
| Checking accounts and demand deposits | 286,321 | 488,280 | 256,734 |
| Foreign currency demand deposits | 3,383 | 3,687 | 1,400 |
| | $ 291,270 | $ 493,514 | $ 259,667 |

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current | | | |
| Financial assets mandatorily classified as at FVTPL - mutual funds | $ 10,375 | $ 10,944 | $ 11,884 |

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments at FVTOCI

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current | | | |
| Domestic investments - ordinary shares | $ 103,032 | $ 98,511 | $ 100,483 |
| Non-current | | | |
| Domestic investments - ordinary shares | $ 13,179 | $ 10,372 | $ 10,513 |

The aforementioned information for investments, please refer to Note 39, Table 3 “Significant Marketable Securities Held”.

For other relevant information on financial assets measured at FVTOCI, please refer to Note 25 (e) and Note 32.

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.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current | | | |
| Time deposits with original maturities of more than 3 months (a) | $ 14,400 | $ 14,400 | $ 26,548 |
| Restricted assets (b) | 48,320 | 48,320 | 50,821 |
| | $ 62,720 | $ 62,720 | $ 77,369 |
| Non-current | | | |
| Restricted assets (c) | $ 179,769 | $ 179,761 | $ 179,695 |

a. The interest rates of time deposits with original maturities of more than 3 months were approximately 1.69%, 1.69% and 1.69%-1.89% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, 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 0.40%-1.69%, 0.40%-1.69% and 0.55%-1.69% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, 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%-1.70%, 0.50%-1.70% and 0.50%-1.69% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

d. Please refer to Note 34 for information relating to investments in financial assets at amortized cost pledged as security.

## 10. NOTES RECEIVABLE, TRADE RECEIVABLES, OTHER RECEIVABLES AND OVERDUE RECEIVABLES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Notes receivable | | | |
| At amortized cost | | | |
| Gross carrying amount | $ 369,734 | $ 502,191 | $ 408,425 |
| Trade receivables | | | |
| At amortized cost | | | |
| Gross carrying amount | $ 525,199 | $ 607,729 | $ 619,623 |
| Less: Allowance for impairment loss | (16,071) | (17,486) | (15,517) |
| | $ 509,128 | $ 590,243 | $ 604,106 |

(Continued)

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Other receivables | | | |
| Others | $ 1,759 | $ 1,202 | $ 486 |
| Overdue receivables | | | |
| Overdue receivables | $ 31,065 | $ 31,065 | $ 31,065 |
| Less: Allowance for impairment loss | (31,065) | (31,065) | (31,065) |
| | $ - | $ - | $ - |

(Concluded)

a. Notes receivable

The average credit period of sales of products is 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 is not overdue as of the balance sheet date, the Group assesses that no allowance for loss on notes receivable is required as of March 31, 2025, December 31, 2024 and March 31, 2024.

Please refer to Note 34 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 measures 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.

March 31, 2025

| | 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%-0.49% | 7.50% | 13.47% | 21.69%-77.54% | 100% | 100% | |
| Gross carrying amount | $ 481,063 | $ 18,328 | $ 12,308 | $ 3,657 | $ 2,889 | $ 38,019 | $ 556,264 |
| Loss allowance (Lifetime ECLs) | (1,930) | (1,374) | (1,657) | (1,267) | (2,889) | (38,019) | (47,136) |
| Amortized cost | $ 479,133 | $ 16,954 | $ 10,651 | $ 2,390 | $ - | $ - | $ 509,128 |

December 31, 2024

| | 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%-0.49% | 7.50% | 13.47% | 21.69%-77.54% | 100% | 100% | |
| Gross carrying amount | $ 572,898 | $ 13,660 | $ 4,430 | $ 5,182 | $ 4,605 | $ 38,019 | $ 638,794 |
| Loss allowance (Lifetime ECLs) | (2,283) | (1,025) | (597) | (2,022) | (4,605) | (38,019) | (48,551) |
| Amortized cost | $ 570,615 | $ 12,635 | $ 3,833 | $ 3,160 | $ - | $ - | $ 590,243 |

March 31, 2024

| | 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 | $ 566,667 | $ 32,645 | $ 7,224 | $ 4,375 | $ 1,758 | $ 38,019 | $ 650,688 |
| Loss allowance (Lifetime ECLs) | (2,122) | (2,318) | (896) | (1,469) | (1,758) | (38,019) | (46,582) |
| Amortized cost | $ 564,545 | $ 30,327 | $ 6,328 | $ 2,906 | $ - | $ - | $ 604,106 |

The movements of the loss allowance of trade receivables and overdue receivables were as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Balance on January 1 | $ 48,551 | $ 48,943 |
| Less: Net remeasurement of loss allowance | (1,415) | (2,361) |
| Balance on March 31 | $ 47,136 | $ 46,582 |

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 March 31, 2025, December 31, 2024 and March 31, 2024, the expected credit loss rate of other receivables was both 0% consistently.

## 11. INVENTORIES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Real estate under development and real estate to be developed | $ 3,458,574 | $ 3,458,574 | $ 3,478,729 |
| Raw materials | 399,713 | 307,066 | 331,453 |
| Supplies and spare parts | 194,924 | 175,690 | 158,582 |
| Finished goods | 92,928 | 92,229 | 153,504 |
| Work in progress | 25,977 | 57,991 | 59,109 |
| | $ 4,172,116 | $ 4,091,550 | $ 4,181,377 |

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Cost of inventories sold | $ 975,687 | $ 964,682 |
| Inventory write-downs loss | - | 3,076 |
| | $ 975,687 | $ 967,758 |

The inventories pledged as collateral for bank borrowings are set out in Note 34.

## 12. SUBSIDIARIES

The main entities included in the preparation of the consolidated financial statements are as follows:

| Investor Company Name | Subsidiary Name | Nature of Business | Percentage of Equity Held (%) March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|---|
| 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 | 99.99 |
| | Luckicon Ready-mixed Concrete Factory Co., Ltd. (“Luckicon Ready-mixed Co.”) | Production and sales of concrete | 100.00 | 100.00 | 100.00 |
| | Lucky Cement Corp., Japan (“Lucky Cement Japan”) | Buy and sell of cement | - | - | 100.00 |
| | Luckyship Marine Co., Ltd (“Luckyship Co.”) | Shipping agent | 100.00 | 100.00 | 100.00 |
| Luckicon Ready-mixed Co. | Fuyu Development Co., Ltd. | Earth and stone | 100.00 | 100.00 | 100.00 |

For the three months ended March 31, 2025 and 2024, except for Luckicon Ready-mixed Co., Dasheng Enterprise and Fuyu Development Co., Ltd., the financial statements of the rest of the non-significant subsidiaries which had been included in the consolidated financial statements were not reviewed. As of March 31, 2025 and 2024, the combined total assets of these non-significant subsidiaries were $19,173 thousand and $27,393 thousand, respectively, both representing 0% of the consolidated total assets; and combined total liabilities of these subsidiaries were $3,332 thousand and $13,969 thousand, respectively, both representing 0% of the consolidated total liabilities. For the three months ended March 31, 2025 and 2024, the amounts of combined comprehensive loss of these subsidiaries were $480 thousand and $11,958 thousand, respectively, representing 0% and (10%), respectively, of the consolidated total comprehensive income.

On March 15, 2024, the Company's board of directors resolved that Lucky Cement Japan would discontinue operations and would be liquidated and dissolved. In June 2024, Lucky Cement Japan had a cash capital increase of NT$7,406 thousand in June 2024, subscribed for by the Company in full, and the payment for the capital increase was offset by the loans to Lucky Cement Japan. The liquidation and dissolution process were completed in October 2024.

See Note 39 and Table 6 for the information on the investees' places of incorporation and principal places of business.

## 13. PREPAYMENTS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Prepaid expenses | $ 130,580 | $ 95,589 | $ 97,499 |
| Prepayments for purchases of materials | 16,069 | 10,726 | 16,110 |
| Other | 1,992 | 2,622 | 1,589 |
| | $ 148,641 | $ 108,937 | $ 115,198 |

## 14. NON-CURRENT ASSETS HELD FOR SALE

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Property, plant and equipment held for sale | $ - | $ - | $ 3,411 |

On March 15, 2024, the Company's board of directors resolved to sell the plant and equipment of Lucky Cement Japan and reclassify them from property, plant, and equipment to held for sale non-current assets. Subsequently, on April 24, 2024, a contract was signed with an unrelated party to sell the aforementioned assets for JPY17,500 thousand. Since the agreed selling price exceeds the carrying amount of the held for sale non-current assets, no impairment loss needs to be recognized.

## 15. OTHER CURRENT ASSETS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Offset against business tax payable | $ 26,604 | $ 27,783 | $ 28,724 |
| Other | - | - | 1 |
| | $ 26,604 | $ 27,783 | $ 28,725 |

## 16. PROPERTY, PLANT AND EQUIPMENT

| | Land | Buildings | Machinery and Equipment | Electrical Equipment | Transportation Equipment | Other Equipment | Sales of Real Estate under Development | Total |
|---|---|---|---|---|---|---|---|---|
| Cost | | | | | | | | |
| Balance on January 1, 2025 | $ 2,518,770 | $ 2,149,206 | $ 5,684,176 | $ 1,170,701 | $ 1,121,645 | $ 362,218 | $ 349,009 | $ 13,355,725 |
| Additions | - | - | 13,902 | - | 3,450 | - | 27,544 | 44,896 |
| Disposals | - | - | - | - | (34,040) | - | - | (34,040) |
| Balance on March 31, 2025 | 2,518,770 | 2,149,206 | 5,698,078 | 1,170,701 | 1,091,055 | 362,218 | 376,553 | 13,366,581 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance on January 1, 2025 | - | 1,969,308 | 5,491,588 | 1,107,284 | 639,197 | 337,593 | - | 9,544,970 |
| Depreciation expense | - | 6,321 | 6,206 | 1,629 | 12,284 | 1,976 | - | 28,416 |
| Disposals | - | - | - | - | (34,040) | - | - | (34,040) |
| Balance on March 31, 2025 | - | 1,975,629 | 5,497,794 | 1,108,913 | 617,441 | 339,569 | - | 9,539,346 |
| Carrying amount at March 31, 2025 | $ 2,518,770 | $ 173,577 | $ 200,284 | $ 61,788 | $ 473,614 | $ 22,649 | $ 376,553 | $ 3,827,235 |
| Carrying amount at December 31, 2024 and January 1, 2025 | $ 2,518,770 | $ 179,898 | $ 192,588 | $ 63,417 | $ 482,448 | $ 24,625 | $ 349,009 | $ 3,810,755 |
| Cost | | | | | | | | |
| Balance on January 1, 2024 | $ 2,348,174 | $ 2,216,893 | $ 5,669,632 | $ 1,118,698 | $ 1,062,093 | $ 358,271 | $ 192,529 | $ 12,966,290 |
| Additions | - | - | 26,705 | 52,080 | 4,280 | 2,089 | 47,174 | 132,328 |
| Disposals | - | - | (7,811) | (1,184) | (6,930) | (217) | - | (16,142) |
| Net exchange difference | - | (1,796) | (178) | - | - | (6) | - | (1,980) |
| Reclassification | - | (66,641) | (6,606) | - | - | - | - | (73,247) |
| Balance on March 31, 2024 | 2,348,174 | 2,148,456 | 5,681,742 | 1,169,594 | 1,059,443 | 360,137 | 239,703 | 13,007,249 |
| Accumulated depreciation and impairment | | | | | | | | |
| Balance on January 1, 2024 | - | 2,003,255 | 5,501,087 | 1,103,096 | 612,870 | 330,981 | - | 9,551,289 |
| Depreciation expense | - | 10,062 | 5,402 | 1,942 | 9,619 | 2,025 | - | 29,050 |
| Disposals | - | - | (7,811) | (1,184) | (6,930) | (217) | - | (16,142) |
| Net exchange difference | - | (1,737) | (141) | - | - | (6) | - | (1,884) |
| Reclassification | - | (64,593) | (5,243) | - | - | - | - | (69,836) |
| Balance on March 31, 2024 | - | 1,946,987 | 5,493,294 | 1,103,854 | 615,559 | 332,783 | - | 9,492,477 |
| Carrying amount at March 31, 2024 | $ 2,348,174 | $ 201,469 | $ 188,448 | $ 65,740 | $ 443,884 | $ 27,354 | $ 239,703 | $ 3,514,772 |

a. The reclassification involves the reclassification of buildings and equipment from property, plant, and equipment to held for sale non-current assets, refer to Note 14.

b. 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.

c. 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 |

d. No impairment assessment was performed for the three months ended March 31, 2025 and 2024 as there was no indication of impairment.

e. Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 34.

## 17. LEASE ARRANGEMENTS

a. Right-of-use assets

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Carrying amount | | | |
| Land | $ 21,882 | $ 22,902 | $ 32,098 |
| Buildings | 95,848 | 106,856 | 132,682 |
| Transportation equipment | 2,628 | 27 | 263 |
| | $ 120,358 | $ 129,785 | $ 165,043 |

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Additions to right-of-use assets | $ 4,747 | $ 24,949 |
| Depreciation charge for right-of-use assets | | |
| Land | $ 3,064 | $ 3,065 |
| Buildings | 11,008 | 10,990 |
| Transportation equipment | 102 | 78 |
| | $ 14,174 | $ 14,133 |

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 three months ended March 31, 2025 and 2024.

b. Lease liabilities

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Carrying amount | | | |
| Current | $ 47,779 | $ 52,734 | $ 53,088 |
| Non-current | $ 74,479 | $ 79,071 | $ 113,521 |

Range of discount rates for lease liabilities was as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Land | 1.60%-2.22% | 1.55%-2.22% | 1.55%-2.22% |
| Buildings | 1.55%-2.28% | 1.55%-2.28% | 1.55%-2.36% |
| Transportation equipment | 2.03% | 2.03% | 2.03% |

c. Material leasing activities and terms

The Group leases lands and buildings for the use of offices and operations with lease terms of 1 to 20 years.

The Group leases transportation equipment for the use of operations with lease terms of 3 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 Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Expenses relating to short-term leases | $ 972 | $ 1,829 |
| Expenses relating to low-value asset leases | 168 | 166 |
| Interest on lease liabilities | 593 | 791 |
| Principal of lease liabilities | 14,294 | 13,896 |
| Total cash outflow for leases | $ 16,027 | $ 16,682 |

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.

## 18. OTHER NON-CURRENT ASSETS

| | **March 31, 2025** | **December 31, 2024** | **March 31, 2024** |
|---|---|---|---|
| Prepayments for business facilities | $ 206,727 | $ 161,108 | $ 74,312 |
| Prepayments for investment property | 18,874 | 18,874 | 18,874 |
| Net limestone mining rights | 18,763 | 18,763 | 18,764 |
| Long-term prepaid expenses | 955 | 1,149 | 2,394 |
| | $ 245,319 | $ 199,894 | $ 114,344 |

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.

## 19. BORROWINGS

a. Short-term borrowings

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Secured borrowings (Note 34) | | | |
| Bank loans | $ 825,000 | $ 945,000 | $ 460,500 |
| Unsecured borrowings | | | |
| Line of credit borrowings | 468,000 | 589,000 | 428,000 |
| | $ 1,293,000 | $ 1,534,000 | $ 888,500 |

The interest rates of the bank loans were as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Secured borrowings | 1.94%-2.59% | 1.90%-2.40% | 1.90%-2.38% |
| Unsecured borrowings | 2.11%-2.35% | 2.09%-2.48% | 1.76%-2.17% |

b. Short-term bills payable

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Commercial paper | $ 490,000 | $ 460,000 | $ 200,000 |
| Less: Unamortized discounts on bills payable | (1,035) | (549) | (542) |
| | $ 488,965 | $ 459,451 | $ 199,458 |

Outstanding short-term bills payable were as follows:

March 31, 2025

| Guarantee/Promissory Institution | Par Value | Discounted Amount | Carrying Amount | Interest Rate |
|---|---|---|---|---|
| Commercial paper | | | | |
| Ta Ching Bills Finance Corporation | $ 190,000 | $ 393 | $ 189,607 | 2.04%-2.71% |
| Dah Chung Bills Finance Corporation | 50,000 | 92 | 49,908 | 2.09% |
| China Bills Finance Corporation | 150,000 | 397 | 149,603 | 2.10%-2.14% |
| Grand Bills Finance Corporation | 100,000 | 153 | 99,847 | 2.08%-2.38% |
| | $ 490,000 | $ 1,035 | $ 488,965 | |

December 31, 2024

| Guarantee/Promissory Institution | Par Value | Discount Amount | Carrying Amount | Interest Rate |
|---|---|---|---|---|
| Commercial paper | | | | |
| Ta Ching Bills Finance Corporation | $ 160,000 | $ 68 | $ 159,932 | 2.06%-2.21% |
| Dah Chung Bills Finance Corporation | 50,000 | 6 | 49,994 | 2.08% |
| China Bills Finance Corporation | 150,000 | 325 | 149,675 | 2.06%-2.12% |
| Grand Bills Finance Corporation | 100,000 | 150 | 99,850 | 2.06%-2.08% |
| | $ 460,000 | $ 549 | $ 459,451 | |

March 31, 2024

| Guarantee/Promissory Institution | Par Value | Discounted Amount | Carrying Amount | Interest Rate |
|---|---|---|---|---|
| Commercial paper | | | | |
| Ta Ching Bills Finance Corporation | $ 50,000 | $ 144 | $ 49,856 | 2.11% |
| Dah Chung Bills Finance Corporation | 50,000 | 156 | 49,844 | 1.99% |
| China Bills Finance Corporation | 50,000 | 79 | 49,921 | 1.99% |
| Mega Bills Finance Corporation | 50,000 | 163 | 49,837 | 2.09% |
| | $ 200,000 | $ 542 | $ 199,458 | |

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

c. Long-term borrowings

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Secured borrowings (Note 34) | | | |
| Bank loans | $ 923,000 | $ 1,200,500 | $ 1,451,000 |
| Unsecured borrowings | | | |
| Loans from bank | 161,000 | 100,000 | - |
| Less: Current portion | (615,300) | (428,000) | (293,750) |
| Long-term borrowings | $ 468,700 | $ 872,500 | $ 1,157,250 |

| | Method of Repayment | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Secured borrowings | | | | |
| Taiwan Cooperative Bank | The period is from October 5, 2022 to January 12, 2027, with principal to be repaid in quarterly installments beginning in January 2024. | $ 350,000 | $ 400,000 | $ 550,000 |
| 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. | 154,000 | 186,000 | 250,000 |
| O-Bank | The period is from December 28, 2022 to December 28, 2027, with a lump sum principal repayment due and partial early repayment of principal in November 2023 and March 2024, respectively. | 250,000 | 250,000 | 250,000 |
| Sunny Bank Ltd. | Revolving loan; the period is from March 30, 2023 to March 30, 2026. | 169,000 | 364,500 | 401,000 |
| Unsecured borrowings | | | | |
| The Export-Import Bank of the Republic of China | The period is from May 20, 2024 to June 20, 2025. The principal will be repaid one time on the maturity date. | 100,000 | 100,000 | - |
| Bank SinoPac | The period is from January 21, 2025 to January 21, 2028, with principal to be repaid in quarterly installments beginning in July 2025. | 61,000 | - | - |
| | | 1,084,000 | 1,300,500 | 1,451,000 |
| Less: Current portion | | (615,300) | (428,000) | (293,750) |
| Long-term borrowings | | $ 468,700 | $ 872,500 | $ 1,157,250 |

The annual interest rate ranges of long-term borrowings were 2.23%-2.97%, 2.23%-2.99% and 2.10%-2.93% as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

Dasheng Enterprise signed a medium-term loan commitment with O-Bank to guarantee that the 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.

## 20. NOTES PAYABLE AND TRADE PAYABLES

a. Notes payable

The Group issues notes payable for domestic payments and equipment.

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.

## 21. OTHER PAYABLES

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Payables for dividends (Note 25) | $ 303,554 | $ - | $ 404,738 |
| Payables for salaries and bonuses | 99,197 | 128,717 | 108,995 |
| Payables for equipment | 18,654 | 3,392 | 29,291 |
| Payables for utilities expense | 18,632 | 31,520 | 22,707 |
| Payables for freight expense | 18,602 | 19,302 | 13,565 |
| Payables for taxes | 15,473 | 22,739 | 15,526 |
| Others | 24,106 | 35,253 | 34,383 |
| | $ 498,218 | $ 240,923 | $ 629,205 |

## 22. PROVISIONS

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Current | | | |
| Carbon fees | $ 2,574 | $ - | $ - |

Starting from 2025, the Group recognizes the carbon fee provision in accordance with the Regulations Governing the Collection of Carbon Fees and related regulations of the ROC. The Group assessed that it was probable to obtain the approval for the self-determined reduction plan and for the recognition as belonging to the industry with high carbon leakage risk from the competent authority, and assessed that it was probable to meet the designated target of the current year. The Group expects to submit the implementation progress report of the self-determined reduction plan for the current year before April 30, 2026; therefore, the carbon fee provision was calculated based on the preferential rate and the emission adjustment coefficient applicable to the industry with high carbon leakage risk.

## 23. RETIREMENT BENEFIT PLANS

The pension expenses of defined benefit plan were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2024 and 2023, respectively. An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plan is as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Operating costs | $ 31 | $ 97 |
| Selling and marketing expenses | 9 | 23 |
| General and administrative expenses | 7 | 41 |
| | $ 47 | $ 161 |

## 24. 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:

March 31, 2025

| | Within 1 Year | More Than 1 Year | Total |
|---|---|---|---|
| Assets | | | |
| Financial assets at amortized cost | $ 31,820 | $ - | $ 31,820 |
| Inventories | - | 3,458,574 | 3,458,574 |
| | $ 31,820 | $ 3,458,574 | $ 3,490,394 |
| Liabilities | | | |
| Contract liabilities | $ - | $ 524,085 | $ 524,085 |

December 31, 2024

| | Within 1 Year | More Than 1 Year | Total |
|---|---|---|---|
| Assets | | | |
| Financial assets at amortized cost | $ 31,820 | $ - | $ 31,820 |
| Inventories | - | 3,458,574 | 3,458,574 |
| | $ 31,820 | $ 3,458,574 | $ 3,490,394 |
| Liabilities | | | |
| Contract liabilities | $ - | $ 524,085 | $ 524,085 |

March 31, 2024

| | Within 1 Year | More Than 1 Year | Total |
|---|---|---|---|
| Assets | | | |
| Financial assets at amortized cost | $ 31,820 | $ - | $ 31,820 |
| Inventories | - | 3,478,729 | 3,478,729 |
| | $ 31,820 | $ 3,478,729 | $ 3,510,549 |
| Liabilities | | | |
| Contract liabilities | $ - | $ 524,085 | $ 524,085 |

## 25. EQUITY

a. Share capital

Ordinary shares

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Number of shares authorized (in thousands) | 498,646 | 498,646 | 498,646 |
| Shares authorized | $ 4,986,460 | $ 4,986,460 | $ 4,986,460 |
| Number of shares issued and fully paid (in thousands) | 404,738 | 404,738 | 404,738 |
| Shares issued | $ 4,047,380 | $ 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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| 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 | $ 10 |
| May be used only to offset a deficit | | | |
| Changes in percentage of ownership interests in subsidiaries | 8 | 8 | 8 |
| | $ 18 | $ 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 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 27 (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 12, 2024 and November 10, 2023 the Company's board of directors adopted the results of operations for the first half of 2024 and 2023, respectively, decided not to distribute dividends.

The appropriations of earnings for 2024 and 2023 were as follows:

| | Appropriation of Earnings For the Year Ended December 31 | |
|---|---|---|
| | **2024** | **2023** |
| Legal reserve | $ 50,905 | $ 43,445 |
| Special reserve | $ (10,617) | $ (54,382) |
| Cash dividends | $ 303,554 | $ 404,738 |
| Cash dividends per share (NT$) | $ 0.75 | $ 1.00 |

The above appropriations of cash dividends had been resolved by the Company's board of directors on May 9, 2025 and March 15, 2024, respectively. The appropriations of earnings for 2023 had been resolved by the shareholders in their meeting on June 18, 2024 and the appropriations of earnings for 2024 will be resolved by the shareholders in their meeting to be held on June 27, 2025.

d. Special reserve

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Balance on January 1 | $ 36,673 | $ 91,055 |
| Reversal of special reserve | | |
| Reversal of the debits to other equity items | (10,617) | (54,382) |
| Balance on March 31 | $ 26,056 | $ 36,673 |

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. Lucky Cement Japan was liquidated and dissolved in 2024; the parent company reversed the entire amount of the previously appropriated special reserve.

e. Other equity items

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

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Balance on January 1 | $ - | $ 2,721 |
| Recognized for the year | | |
| Exchange differences on the translation of the financial statements of foreign operations | - | (168) |
| Balance on March 31 | $ - | $ 2,553 |

2) Unrealized valuation (loss) gain on financial assets at FVTOCI

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Balance on January 1 | $ (26,056) | $ (39,394) |
| Recognized for the year | | |
| Unrealized gain (loss) - equity instruments | 2,897 | (7,108) |
| Other comprehensive income (loss) recognized for the year | 2,897 | (7,108) |
| Balance on March 31 | $ (23,159) | $ (46,502) |

## 26. REVENUE

a. Segmentation of customer's contract revenue

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Cement | $ 606,014 | $ 507,706 |
| Cement products | 369,526 | 407,542 |
| Stone materials | 103,957 | 149,684 |
| Others | 133,213 | 128,036 |
| | $ 1,212,710 | $ 1,192,968 |

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 | January 1, 2024 |
|---|---|---|---|---|
| Notes receivable (Note 10) | $ 369,734 | $ 502,191 | $ 408,425 | $ 493,136 |
| Notes receivable from related parties | $ 7,000 | $ - | $ - | $ - |
| Trade receivables (Note 10) | $ 509,128 | $ 590,243 | $ 604,106 | $ 686,567 |
| Trade receivables from related parties | $ 10,247 | $ 10,374 | $ 11,317 | $ 12,234 |
| Contract liabilities | | | | |
| Cement sales | $ 210,841 | $ 263,457 | $ 229,654 | $ 248,478 |
| Property sales | 524,085 | 524,085 | 524,085 | 262,042 |
| Others | 3,968 | 6,520 | 6,662 | 10,339 |
| | $ 738,894 | $ 794,062 | $ 760,401 | $ 520,859 |

## 27. NET PROFIT

a. Other operating income and expenses

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Gain on disposal of property, plant and equipment | $ - | $ 711 |

b. Interest income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Bank deposits | $ 721 | $ 744 |

c. Other income

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Rental income | $ 2,229 | $ 2,224 |
| Others | 5,178 | 3,147 |
| | $ 7,407 | $ 5,371 |

d. Other gains and losses

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Net foreign exchange gains | $ 22 | $ 140 |
| Net (loss) gain on fair value changes of financial assets at fair value through profit or loss | (196) | 962 |
| Depreciation of leased assets | (573) | (573) |
| Others | (1,628) | (2,236) |
| | $ (2,375) | $ (1,707) |

e. Financial costs

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Bank loan | $ 11,853 | $ 11,373 |
| Interest on lease liabilities | 593 | 791 |
| Related parties loans | 465 | 518 |
| | $ 12,911 | $ 12,682 |

Information about interest capitalization is as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Amount of interest capitalized | $ 5,094 | $ 4,523 |
| Interest capitalized rate | 2.06%-2.40% | 2.09%-2.38% |

f. Depreciation, amortization and depletion

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Property, plant and equipment | $ 28,416 | $ 29,050 |
| Right-of-use assets | 14,174 | 14,133 |
| Long-term prepaid expenses | 194 | 1,970 |
| | $ 42,784 | $ 45,153 |
| An analysis of depreciation by function | | |
| Operating costs | $ 31,247 | $ 31,709 |
| Operating expenses | 10,770 | 10,901 |
| Non-operating expenses | 573 | 573 |
| | $ 42,590 | $ 43,183 |
| An analysis of amortization by function | | |
| Operating costs | $ 116 | $ 1,604 |
| Operating expenses | 78 | 366 |
| | $ 194 | $ 1,970 |

g. Employee benefits expense

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Post-employment benefits | | |
| Defined contribution plan | $ 3,222 | $ 3,553 |
| Defined benefit plan (Note 23) | 47 | 161 |
| | 3,269 | 3,714 |
| Other employee benefits | 99,771 | 102,050 |
| Total employee benefits expense | $ 103,040 | $ 105,764 |
| An analysis of employee benefits expense by function | | |
| Operating costs | $ 65,156 | $ 68,096 |
| Operating expenses | 37,884 | 37,668 |
| | $ 103,040 | $ 105,764 |

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. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company expect to resolve the amendments to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of not less than 33% of the compensation of employees as compensation distributions for non-executive employees.

The compensation of employees and the remuneration of directors for the three months ended March 31, 2025 and 2024 are estimated as follows:

Accrual rate

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Compensation of employees | 3% | 3% |
| Remuneration of directors | 5% | 5% |

Amount

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Compensation of employees | $ 5,041 | $ 4,674 |
| Remuneration of directors | 8,401 | 7,789 |

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

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023 that were resolved by the board of directors on March 17, 2025 and March 15, 2024, respectively, are as shown below:

Amount

| | For the Year Ended December 31 | |
|---|---|---|
| | **2024** | **2023** |
| | **Cash** | **Cash** |
| Compensation of employees | $ 18,570 | $ 20,060 |
| Remuneration of directors | 30,949 | 33,433 |

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, 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors for 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Foreign exchange gains | $ 22 | $ 140 |

## 28. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Current tax | | |
| In respect of the current year | $ 31,038 | $ 32,181 |
| Adjustments for prior year | - | 284 |
| | 31,038 | 32,465 |
| Deferred tax | | |
| In respect of the current year | 1,915 | (1,303) |
| Income tax expense recognized in profit or loss | $ 32,953 | $ 31,162 |

b. Income tax assessments

The income tax returns through 2023 of the Company, Dasheng Enterprise, Luckicon Ready-mixed Co. and Luckyship Marine Co., have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts.

The income tax returns through 2022 of Fuyu Development Co., have been assessed by the tax authorities, and there is no significant difference between the reported amounts and the assessed amounts.

## 29. 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 Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Earnings used in the computation of earnings per share | $ 131,350 | $ 122,112 |

### Earnings Per Share

**(In Thousands of Shares)**

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| 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 | 1,344 | 1,316 |
| Weighted average number of ordinary shares used in the computation of diluted earnings per share | 406,082 | 406,054 |

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.

## 30. CASH FLOW INFORMATION

### Partial 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 three months ended March 31, 2025 and 2024:

| | For the Three Months Ended March 31 | |
|---|---|---|
| | **2025** | **2024** |
| Partial cash payments for purchase of PP&E | | |
| Acquisition of property, plant and equipment | $ 44,896 | $ 132,328 |
| Capitalized interest amount | (5,094) | (4,523) |
| Net changes in prepayments for business facilities | 45,619 | (46,555) |
| Net changes in payable for purchase of equipment (reported as notes payable and other payables) | 10,556 | 28,384 |
| Cash paid | $ 95,977 | $ 109,634 |

### Changes in Liabilities Arising from Financing Activities

For the three months ended March 31, 2025

| | Balance on January 1, 2025 | Cash Flows | Non-cash Changes New Lease | Non-cash Changes Discount Amortization | Others | Balance on March 31, 2025 |
|---|---|---|---|---|---|---|
| Short-term borrowings | $ 1,534,000 | $ (241,000) | $ - | $ - | $ - | $ 1,293,000 |
| Short-term bills payable | 459,451 | 30,000 | - | (486) | - | 488,965 |
| Long-term borrowings | 1,300,500 | (216,500) | - | - | - | 1,084,000 |
| Guarantee deposits received | 58,073 | (4,940) | - | - | - | 53,133 |
| Other payables to related parties | 122,196 | 95,500 | - | - | (2,469) | 215,227 |
| Lease liabilities | 131,805 | (14,294) | 4,747 | - | - | 122,258 |
| | $ 3,606,025 | $ (351,234) | $ 4,747 | $ (486) | $ (2,469) | $ 3,256,583 |

For the three months ended March 31, 2024

| | Balance on January 1, 2024 | Cash Flows | Non-cash Changes New Lease | Non-cash Changes Discount Amortization | Others | Balance on March 31, 2024 |
|---|---|---|---|---|---|---|
| Short-term borrowings | $ 979,500 | $ (91,000) | $ - | $ - | $ - | $ 888,500 |
| Short-term bills payable | 359,277 | (160,000) | - | 181 | - | 199,458 |
| Long-term borrowings | 1,570,000 | (119,000) | - | - | - | 1,451,000 |
| Guarantee deposits received | 48,680 | 11,110 | - | - | - | 59,790 |
| Other payables to related parties | 172,920 | 3,500 | - | - | (341) | 176,079 |
| Lease liabilities | 155,556 | (13,896) | 24,949 | - | - | 166,609 |
| | $ 3,285,933 | $ (369,286) | $ 24,949 | $ 181 | $ (341) | $ 2,941,436 |

## 31. 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.

## 32. 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

March 31, 2025

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Mutual funds | $ 10,375 | $ - | $ - | $ 10,375 |
| Financial assets at FVTOCI | | | | |
| Investments in equity instruments | | | | |
| Listed shares and emerging market shares | $ 103,032 | $ - | $ - | $ 103,032 |
| Unlisted shares | - | - | 13,179 | 13,179 |
| | $ 103,032 | $ - | $ 13,179 | $ 116,211 |

December 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Mutual funds | $ 10,944 | $ - | $ - | $ 10,944 |
| Financial assets at FVTOCI | | | | |
| Investments in equity instruments | | | | |
| Listed shares and emerging market shares | $ 98,511 | $ - | $ - | $ 98,511 |
| Unlisted shares | - | - | 10,372 | 10,372 |
| | $ 98,511 | $ - | $ 10,372 | $ 108,883 |

March 31, 2024

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets at FVTPL | | | | |
| Mutual funds | $ 11,884 | $ - | $ - | $ 11,884 |
| Financial assets at FVTOCI | | | | |
| Investments in equity instruments | | | | |
| Listed shares and emerging market shares | $ 100,483 | $ - | $ - | $ 100,483 |
| Unlisted shares | - | - | 10,513 | 10,513 |
| | $ 100,483 | $ - | $ 10,513 | $ 110,996 |

There were no transfers between Levels 1 and 2 in the current and prior period.

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

For the three months ended March 31, 2025

| | Financial Assets at FVTOCI |
|---|---|
| | Equity Instruments |
| Balance on January 1, 2025 | $ 10,372 |
| Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI) | (1,624) |
| Additions | 4,431 |
| Balance on March 31, 2025 | $ 13,179 |

For the three months ended March 31, 2024

| | Financial Assets at FVTOCI |
|---|---|
| | Equity Instruments |
| Balance on January 1, 2024 | $ 10,590 |
| Recognized in other comprehensive income (included in unrealized valuation loss on financial assets at FVTOCI) | (77) |
| Balance on March 31, 2024 | $ 10,513 |

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Financial assets | | | |
| FVTPL | | | |
| Mandatorily classified as at FVTPL | $ 10,375 | $ 10,944 | $ 11,884 |
| Financial assets at amortized cost (1) | 1,452,788 | 1,862,201 | 1,563,180 |
| Financial assets at FVTOCI | | | |
| Equity instruments | 116,211 | 108,883 | 110,996 |
| Financial liabilities | | | |
| Amortized cost (2) | 3,797,836 | 4,094,185 | 3,423,945 |

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 period are set out in Note 38.

Sensitivity analysis

The Group is mainly exposed to the USD, JPY 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.

| | **Impact on Profit or Loss** | |
|---|---|---|
| | **For the Three Months Ended March 31** | |
| | **2025** | **2024** |
| USD | $ (63) | $ (75) |
| JPY | (114) | - |
| RMB | - | (382) |

The above analysis included cash in banks and financial assets at amortized cost denominated in USD, JPY 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 reporting period were as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Cash flow interest rate risk | | | |
| Financial assets | $ 466,925 | $ 538,185 | $ 487,292 |
| Financial liabilities | 3,040,464 | 3,372,951 | 2,673,758 |

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 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 for the three months ended March 31, 2025 and 2024 would have decreased by $1,608 thousand and $1,367 thousand, respectively, with all other variables held constant; the non-derivative instruments include floating rate loan, demand 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 tables for non-derivative financial liabilities

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.

March 31, 2025

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|---|---|---|---|---|
| Non-interest bearing | $ 265,334 | $ 381,533 | $ 46,395 | $ 50,109 | $ 14,000 |
| Lease liabilities | 8,970 | 5,817 | 34,964 | 69,275 | 8,448 |
| Variable interest rate liabilities | 659,855 | 994,110 | 917,800 | 468,700 | - |
| | $ 934,159 | $ 1,381,460 | $ 999,159 | $ 588,084 | $ 22,448 |

December 31, 2024

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|---|---|---|---|---|
| Non-interest bearing | $ 296,180 | $ 289,114 | $ 79,934 | $ 42,006 | $ 14,000 |
| Lease liabilities | 8,997 | 5,355 | 40,330 | 73,986 | 8,602 |
| Variable interest rate liabilities | 541,863 | 873,588 | 1,085,000 | 872,500 | - |
| | $ 847,040 | $ 1,168,057 | $ 1,205,264 | $ 988,492 | $ 22,602 |

March 31, 2024

| | On Demand or Less than 1 Month | 1-3 Months | 3 Months to 1 Year | 1-5 Years | 5+ Years |
|---|---|---|---|---|---|
| Non-interest bearing | $ 291,283 | $ 342,686 | $ 463,179 | $ 3,477 | $ 54,300 |
| Lease liabilities | 8,987 | 5,697 | 40,948 | 109,275 | 9,062 |
| Variable interest rate liabilities | 264,500 | 673,458 | 578,550 | 1,157,250 | - |
| | $ 564,770 | $ 1,021,841 | $ 1,082,677 | $ 1,270,002 | $ 63,362 |

b) Financing facilities

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Unsecured facilities | | | |
| Amount used | $ 1,119,000 | $ 1,149,000 | $ 635,616 |
| Amount unused | 706,638 | 575,997 | 1,228,129 |
| | $ 1,825,638 | $ 1,724,997 | $ 1,863,745 |
| Secured facilities | | | |
| Amount used | $ 1,863,705 | $ 2,165,678 | $ 1,911,500 |
| Amount unused | 1,313,409 | 441,235 | 1,633,400 |
| | $ 3,177,114 | $ 2,606,913 | $ 3,544,900 |

## 33. 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 first-degree relative of the chairman of the Company |
| Fudong Freight Co., Ltd. ("Fudong Freight") | The chairman is also 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 also the chairman of the Company |
| Wantong Property Insurance Brokers Co., Ltd. ("Wantong Property Insurance") | The chairman is also the chairman of the Company |
| Lucky Construction Co., Ltd. ("Lucky Construction") | The chairman is also the chairman of the Company |
| Kuochuan Development Co., Ltd. ("Kuochuan Development") | The chairman is also the chairman of the Company |
| Ri Kon Construction Co., Ltd. ("Ri Kon Construction") | The chairman is also the chairman of the Company |
| Shi Yi Cement Corporation ("Shi Yi Cement") | The chairman is also 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 company is major shareholder of the Company |
| Fuan Mining Co., Ltd. ("Fuan Mining") | A manager in the company is spouse of the chairman of the Company |
| Chang-Run Water Resources Biotechnology. | The director in the company is spouse of the chairman of the Company |

b. Business transactions

| Line Item | Related Party Category/Name | For the Three Months Ended March 31 2025 | 2024 |
|---|---|---|---|
| Sales | Other related parties | $ 25,128 | $ 26,303 |
| Purchases of goods | Fuan Mining | $ 77,835 | $ 79,813 |
| | Other related parties | 24,059 | 9,697 |
| | | $ 101,894 | $ 89,510 |
| Operating costs - transportation expenses | Other related parties | $ 1,521 | $ 2,385 |
| Operating costs - manufacturing expenses | Other related parties | $ - | $ 166 |
| Operating expenses | Other related parties | $ 131 | $ 1,992 |

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 Category/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Notes receivables | Fuan Mining | $ 7,000 | $ - | $ - |
| Trade receivables | Fuan Mining | $ 10,247 | $ 10,374 | $ 11,314 |
| | Yung-Sheng Development | - | - | 3 |
| | | $ 10,247 | $ 10,374 | $ 11,317 |
| Other receivables | Shi Yi Cement | $ 834 | $ 657 | $ 161 |
| | Jia Fu Entertainment | 133 | 162 | 291 |
| | Other related parties | 122 | 6 | 6 |
| | | $ 1,089 | $ 825 | $ 386 |

The outstanding trade receivables from related parties are unsecured. As of March 31, 2025, December 31, 2024 and March 31, 2024, no impairment losses were recognized for trade receivables from related parties.

d. Payables to related parties

| Line Item | Related Party Category/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Notes payable (excluding loan from related parties) | Fuan Mining | $ 29,386 | $ 19,763 | $ 48,758 |
| | Fudong Freight | 3,371 | 4,687 | 4,439 |
| | Other related parties | 869 | 81 | - |
| | | $ 33,626 | $ 24,531 | $ 53,197 |

(Continued)

| Line Item | Related Party Category/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Trade payables | Fuan Mining | $ 40,753 | $ 32,133 | $ 35,046 |
| | Fudong Freight | 5,967 | 6,576 | 3,433 |
| | Shi Yi Cement | 4,194 | 3,750 | - |
| | | $ 50,914 | $ 42,459 | $ 38,479 |
| Other payables - current (excluding loan from related parties) | Fudong Freight | $ 391 | $ 1,480 | $ 1,034 |
| | East Life Biotech | 116 | 1,595 | - |
| | Other related parties | - | 9 | 66 |
| | | $ 507 | $ 3,084 | $ 1,100 |

(Concluded)

The outstanding trade payables to related parties are unsecured.

e. Loan from related parties

| Line Item | Related Party Category/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Other payables - current | Fuan Mining | $ 174,720 | $ 79,112 | $ 134,979 |
| Other payables - non-current | Cheng Haibin | $ 40,000 | $ 40,000 | $ 40,000 |

| | For the Three Months Ended March 31 | |
|---|---|---|
| | 2025 | 2024 |
| Financial cost | | |
| Other related parties | $ 465 | $ 518 |

The interest rate of 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

| Line Item | Related Party Category/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|---|
| Lease liabilities - current | Jia Fu Entertainment | $ 410 | $ 408 | $ 401 |
| Lease liabilities - non-current | Jia Fu Entertainment | $ 9,023 | $ 9,127 | $ 9,434 |

| Related Party Name | For the Three Months Ended March 31 2025 | 2024 |
|---|---|---|
| Financial costs | | |
| Jia Fu Entertainment | $ 52 | $ 55 |

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

Lease arrangements - the Group is lessor under operating leases

Future lease payment receivables are as follows:

| Related Party Category/Name | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Fudong Freight | $ 1,760 | $ 1,916 | $ 2,384 |
| Other related parties | 284 | 288 | 396 |
| | $ 2,044 | $ 2,204 | $ 2,780 |

Lease income was as follows:

| Related Party Category/Name | For the Three Months Ended March 31 2025 | 2024 |
|---|---|---|
| Fudong Freight | $ 336 | $ 336 |
| Other related parties | 41 | 36 |
| | $ 377 | $ 372 |

The rental amounts and collection methods are negotiated.

h. Compensation of key management personnel

| | For the Three Months Ended March 31 2025 | 2024 |
|---|---|---|
| Short-term employee benefits | $ 17,803 | $ 16,216 |
| Post-employment benefits | 161 | 132 |
| | $ 17,964 | $ 16,348 |

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

## 34. 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:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Property under development (reported as inventories) | $ 3,364,570 | $ 3,364,570 | $ 3,384,515 |
| Property, plant and equipment | 1,941,513 | 1,942,910 | 1,947,103 |
| Restricted assets (reported as financial assets at amortized cost) | 228,089 | 228,081 | 230,516 |
| Notes receivable | 16,000 | 16,000 | 2,599 |
| | $ 5,550,172 | $ 5,551,561 | $ 5,564,733 |

## 35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to those disclosed in other notes, significant commitments and unrecognized commitments of the Company as of December 31, 2022 and 2021, were as follows:

a. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has signed a contract for purchase of property, plant and equipment; the unpaid amount is $161,225 thousand, $208,374 thousand and $270,055 thousand, respectively.

b. As of March 31, 2025, December 31, 2024 and March 31, 2024, unused letters of credit for purchases of raw materials amounted to approximately $115,705 thousand, $20,178 thousand and $7,616 thousand, respectively.

## 36. OTHER MATTER: NONE.

## 37. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

At the end of April 2025, the Company’s limestone and gravel supplier received a tax refund for overpaid taxes. Under the agreement signed between the parent company and the supplier, approximately $550,000 thousand is expected to be returned to the Company.

## 38. 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)**

March 31, 2025

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 38 | 33.205 (USD:NTD) | $ 1,256 |
| JPY | 10,212 | 0.2227 (JPY:NTD) | 2,274 |

December 31, 2024

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 48 | 32.785 (USD:NTD) | $ 1,586 |
| JPY | 10,212 | 0.2099 (JPY:NTD) | 2,144 |

March 31, 2024

| | Foreign Currency | Exchange Rate | Carrying Amount |
|---|---|---|---|
| Financial assets | | | |
| Monetary items | | | |
| USD | $ 47 | 32.00 (USD:NTD) | $ 1,495 |
| JPY | 26 | 0.2115 (JPY:NTD) | 5 |
| RMB | 1,735 | 4.4080 (RMB:NTD) | 7,647 |

Foreign exchange losses (realized or unrealized) of the Group in the three months ended March 31, 2025 and 2024 are respectively gains of $22 thousand and gains of $140 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.

## 39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

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

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

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

6) 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 period, 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 period: None

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: 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 period 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

## 40. SEGMENT INFORMATION

The Group defined its reportable segments are as follows:

Cement segment: Producing and selling business for products related to cement.

Other segments: Other operations of non-cement business.

a. Segment revenue and operating results

The Group's revenue and operating results analyzed by the operating segments were as follows:

| | Income of Segments For the Three Months Ended March 31 | | Profit/Loss of Segments For the Three Months Ended March 31 | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Cement segment | $ 1,212,691 | $ 1,192,939 | $ 173,002 | $ 163,041 |
| Other segment | 19 | 29 | (1,541) | (1,493) |
| Total amount of business unit | $ 1,212,710 | $ 1,192,968 | 171,461 | 161,548 |
| Interest income | | | 721 | 744 |
| Other income | | | 7,407 | 5,371 |
| Other gains and losses | | | (2,375) | (1,707) |
| Financial costs | | | (12,911) | (12,682) |
| Profit before tax | | | $ 164,303 | $ 153,274 |

The segment revenue reported above was all generated from transactions with external customers. There were no inter-segment sells for the three months ended March 31, 2025 and 2024.

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

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---|---|---|
| Segment assets | | | |
| Operating segment | | | |
| Cement segment | $ 6,657,971 | $ 6,888,774 | $ 6,316,306 |
| Other segment | 3,542,329 | 3,542,493 | 3,563,395 |
| Total assets | $ 10,200,300 | $ 10,431,267 | $ 9,879,701 |
| Segment liabilities | | | |
| Operating segment | | | |
| Cement segment | $ 4,158,353 | $ 4,335,010 | $ 4,142,081 |
| Other segment | 1,025,510 | 910,513 | 956,697 |
| Total liabilities | $ 5,183,863 | $ 5,245,523 | $ 5,098,778 |

**TABLE 1**

## LUCKY CEMENT CO. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS**
**FOR THE THREE MONTHS ENDED MARCH 31, 2025**
**(In Thousands of New Taiwan Dollars)**

| No. | Lender | Borrower | Financial Statement Account | Highest Balance for the Period | Related Party | Ending Balance (Note 4) | Actual Amount Borrowed (Note 5) | Interest Rate (%) | Nature of Financing (Note 1) | Business Transaction Amount | Reasons for Financing | Allowance for Impairment Loss | Collateral | | Financing Limit for Each Borrower (Note 2) | Aggregate Financing Limit (Note 3) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | Item | Value | | |
| 0 | Lucky Cement Co. | Dasheng Enterprise | Other receivables from related parties | $ 200,000 | Yes | $ 200,000 | $ - | - | b | $ - | Operating turnover | $ - | - | - | $ 501,637 | $ 2,006,548 |
| | | Luckicon Ready-mixed Co. | Other receivables from related parties | 100,000 | Yes | 100,000 | - | - | b | - | Operating turnover | - | - | - | 501,637 | 2,006,548 |
| | | | | | | $ 300,000 | | | | | | | | | | |

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 period; 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 period; for less than 20% owned subsidiary, loan should not be more than 2% of the net value of Lucky Cement Co. at end of period.

Note 3: The limit is 40% of net value of the financing company at end of the period.

Note 4: The amount is approved by the board of directors.

Note 5: All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

TABLE 2

# LUCKY CEMENT CO. AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED**
**FOR THE THREE MONTHS ENDED MARCH 31, 2025**
**(In Thousands of New Taiwan Dollars)**

| No. | Endorser/ Guarantor | Endorsee/Guarantee Receiver | | Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1) | Maximum Amount Endorsed/ Guaranteed During the Period | Ending Balance | Actual Amount Borrowed | Amount Endorsed/ Guaranteed 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 | $ 2,006,548 | $ 490,000 | $ 490,000 | $ 280,000 | $ - | 9.77% | $ 2,508,186 | Y | - | - | |
| | | Luckicon Ready-mixed Co. | Subsidiary | 2,006,548 | 1,480,000 | 1,480,000 | 893,000 | - | 29.50% | 2,508,186 | Y | - | - | |
| | | | | | | $ 1,970,000 | | | | | | | | |

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.

## LUCKY CEMENT CO. AND SUBSIDIARIES

**SIGNIFICANT MARKETABLE SECURITIES HELD**
**MARCH 31, 2025**
**(In Thousands of New Taiwan Dollars)**

| Holding Company Name | Type and Name of Marketable Security | Relationship with the Holding Company | Financial Statement Account | March 31, 2025 | | | | 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 | $ 685 | - | $ 685 | |
| | Yuanta Japan Leaders Equity Fund | - | Financial assets at FVTPL - current | 511,248 | 5,312 | - | 5,312 | |
| | CTBC US Focused Growth Fund | - | Financial assets at FVTPL - current | 450,000 | 4,378 | - | 4,378 | |
| | Non-listed ordinary shares | | | | | | | |
| | Jonfeng Mining Co., Ltd. | - | Financial assets at FVTOCI - non-current | 1,501,318 | 12,881 | 10.72 | 12,881 | |
| | Listed ordinary shares | | | | | | | |
| | Taiwan Cement Corporation | - | Financial assets at FVTOCI - current | 1,035,640 | 33,192 | 0.01 | 33,192 | |
| | Formosa Plastics Corporation | - | Financial assets at FVTOCI - current | 400,000 | 14,640 | 0.01 | 14,640 | |
| | Yang Ming Marine Transport Corp. | - | Financial assets at FVTOCI - current | 5,000 | 372 | - | 372 | |
| | Asia Cement Corporation | - | Financial assets at FVTOCI - current | 375,000 | 17,513 | 0.01 | 17,513 | |
| | Far Eastern New Century Corporation | - | Financial assets at FVTOCI - current | 200,000 | 6,580 | - | 6,580 | |
| | U-Ming Marine Transport Corporation | - | Financial assets at FVTOCI - current | 78,000 | 5,023 | 0.01 | 5,023 | |
| | Winbond Electronics Corporation | - | Financial assets at FVTOCI - current | 130,181 | 2,285 | - | 2,285 | |
| | United Microelectronics Corporation | - | Financial assets at FVTOCI - current | 72,351 | 3,231 | - | 3,231 | |
| | Medigen Biotechnology Corporation | - | Financial assets at FVTOCI - current | 28,628 | 909 | 0.02 | 909 | |
| | Sanitar Co., Ltd. | - | Financial assets at FVTOCI - current | 24,000 | 1,144 | 0.03 | 1,144 | |
| | KGI Financial Holding Co., Ltd. | - | Financial assets at FVTOCI - current | 13,496 | 231 | - | 231 | |
| | First Financial Holding Co., Ltd. | - | Financial assets at FVTOCI - current | 1,001 | 27 | - | 27 | |
| | Capital Securities Corp. | - | Financial assets at FVTOCI - current | 875 | 22 | - | 22 | |
| | Hua Nan Financial Holdings Co., Ltd. | - | Financial assets at FVTOCI - current | 476 | 13 | - | 13 | |
| | Convertible preference shares of listed companies | | | | | | | |
| | O-Bank Co., Ltd. | - | Financial assets at FVTOCI - current | 1,500,000 | 17,850 | 0.60 | 17,850 | |
| Luckyship Co. | Non-listed ordinary shares | | | | | | | |
| | Jonfeng Mining Co., Ltd. | - | Financial assets at FVTOCI - non-current | 34,694 | 298 | 0.25 | 298 | |

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds at end of March 2025.

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.

## 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 THREE MONTHS ENDED MARCH 31, 2025**
**(In Thousands of New Taiwan Dollars)**

| Company Name | Related Party | Relationship | Transaction Details | | | | Abnormal Transaction | | Notes/Accounts Payable or Receivable | | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Purchases/ Sales | Amount | % to Total (Note 1) | Payment Terms | Unit Price | Payment Terms | Ending Balance | % to Total (Note 1) | |
| Lucky Cement Co. | Luckicon Ready-mixed Co. | Subsidiary | Sale | $ (119,178) | (12.72) | About 90 days | Similar to general transactions | Similar to general transactions | Accounts receivable $ 45,903<br>Notes receivable 81,039 | 8.57<br>15.12 | Note 2<br>Note 2 |

Note 1: The rate is calculated in accordance with individual financial statements of each company.

Note 2: All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

# LUCKY CEMENT CO. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL**
**MARCH 31, 2025**
**(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 receivable and accounts | $ 126,942 | 3.80 | $ - | - | $ 44,521 | $ - |
| | | | Other receivable | 164 | - | - | - | 164 | - |

Note 1: Calculated based on each company's financial information.

Note 2: All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

## LUCKY CEMENT CO. AND SUBSIDIARIES

**INFORMATION ON INVESTEES**
**FOR THE THREE MONTHS ENDED MARCH 31, 2025**
**(In Thousands of New Taiwan Dollars)**

| Investor Company | Investee Company | Location | Main Business and Product | Original Investment Amount (Note 3) | | As of March 31, 2025 | | | Net Income (Loss) of the Investee | Share of Profit (Loss) | Note |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | March 31, 2025 | December 31, 2024 | Number of Shares | % | Carrying Amount | | | |
| 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 | $ 2,500,840 | $ (4,543) | $ (4,543) | Note 1 |
| | 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 | 74,542,000 | 100.00 | 1,116,681 | 38,688 | 38,713 (Note 4) | Note 1 |
| | Luckyship 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 | 15,815 | (449) | (449) | Note 2 |
| Luckicon Ready-mixed Co. | Fuyu Development Co., Ltd. | 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 | 12,475 | 3,627 | 3,627 | Note 1 |

Note 1: The amounts were calculated based on the reviewed financial statements.

Note 2: The amounts were calculated based on the financial statements that were not reviewed.

Note 3: The original investment amount includes capital reduction for covering accumulated deficits of prior years.

Note 4: The difference is transactions realized gain of $25 thousand.

Note 5: All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

# LUCKY CEMENT CO. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**
**FOR THE THREE MONTHS ENDED MARCH 31, 2025**
**(In Thousands of New Taiwan Dollars)**

| No | Investee Company | Counterparty | Transaction Flow (Note 1) | Transaction Details | | | |
|---|---|---|---|---|---|---|---|
| | | | | **Financial Statement Accounts** | **Amount** | **Payment Terms** | **% of Total Sales or Assets** |
| 0 | Lucky Cement Co. | Luckicon Ready-mixed Co. | a. | Notes receivable | $ 81,039 | About 90 days | 0.79 |
| | | Luckicon Ready-mixed Co. | a. | Accounts receivable | 45,903 | About 90 days | 0.45 |
| | | Luckicon Ready-mixed Co. | a. | Other receivables | 164 | About 90 days | - |
| | | Luckicon Ready-mixed Co. | a. | Contract liabilities | 15,000 | About 90 days | 0.15 |
| | | Luckicon Ready-mixed Co. | a. | Sales | 119,178 | About 90 days | 9.83 |
| | | Luckicon Ready-mixed Co. | a. | Rental income | 381 | 30 days | 0.03 |
| | | Fuyu Development Co., Ltd. | a. | Other receivables | 8 | About 90 days | - |
| | | Fuyu Development Co., Ltd. | a. | Notes payable | 581 | About 90 days | 0.01 |
| | | Fuyu Development Co., Ltd. | a. | Other payables | 423 | About 90 days | - |
| | | Fuyu Development Co., Ltd. | a. | Cost of sales | 795 | About 90 days | 0.07 |
| | | Fuyu Development Co., Ltd. | a. | Rental income | 2,438 | 30 days | 0.20 |
| | | Fuyu Development Co., Ltd. | a. | Other income | 300 | 30 days | 0.02 |
| | | Luckyship Co. | a. | Other receivables | 26 | About 90 days | - |
| | | Luckyship Co. | a. | Rental income | 69 | 30 days | 0.01 |
| | | Dasheng Enterprise | a. | Other receivables | 73 | About 90 days | - |
| | | Dasheng Enterprise | a. | Rental income | 23 | 30 days | - |
| | | Dasheng Enterprise | a. | Interest income | 457 | 30 days | 0.04 |

Note 1: The flow of transactions is as follows:

a. From the parent to the subsidiary.
b. From the subsidiary to the parent.
c. Between subsidiaries.

Note 2: All intercompany transactions, balances, income and expenses are eliminated upon consolidation.