Lucky Cement Co. and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2023 and 2022 and Independent Auditors’ Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Lucky Cement Co.

Introduction

We have reviewed the accompanying consolidated balance sheets of Lucky Cement Co. and its subsidiaries (collectively referred to as the "Group") as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. 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 issued into effect 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

Except as explained in the following paragraph, 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 Auditor 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 by 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 were not reviewed. As of September 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT$36,830 thousand and NT$43,625 thousand, respectively, both representing 0%, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$3,599 thousand and NT$3,420 thousand, respectively, both representing 0% of the consolidated total liabilities; for the three months and the nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive loss of these subsidiaries were NT$1,485 thousand, NT$787 thousand, NT$5,952 thousand and NT$3,600 thousand, respectively, representing (1%), (1%), (1%) and (2%), respectively.

Qualified Conclusion

Based on our reviews, except for the 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 give a true and fair view of the consolidated financial position of the Group as of September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect 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-Hsun Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 10, 2023

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)

	September 30, 2023		December 31, 2022		September 30, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 285,936	3	$ 269,974	3	$ 448,781	5
Financial assets at fair value through profit or loss - current (Note 7)	808	-	53,622	1	58,190	1
Financial assets at fair value through other comprehensive income - current (Note 8)	121,115	1	123,952	1	114,428	1
Financial assets at amortized cost - current (Notes 9 and 32)	62,201	1	119,254	1	86,032	1
Notes receivable (Notes 10, 24 and 32)	489,819	5	432,925	4	395,600	4
Notes receivable from related parties (Notes 24 and 31)	139	-	-	-	127	-
Accounts receivable (Notes 10 and 24)	676,355	7	561,838	6	488,056	5
Accounts receivable from related parties (Notes 24 and 31)	10,535	-	11,724	-	7,583	-
Other receivables (Note 10)	579	-	1,454	-	2,205	-
Other receivables from related parties (Note 31)	323	-	251	-	235	-
Current tax assets	-	-	185	-	185	-
Inventories (Notes 11 and 32)	4,227,966	43	4,065,041	42	3,802,313	41
Prepayments (Note 13)	103,985	1	253,376	3	247,286	3
Other current assets (Note 14)	25,827	-	26,214	-	24,874	-
Total current assets	6,005,588	61	5,919,810	61	5,675,895	61
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	10,266	-	9,395	-	9,316	-
Financial assets at amortized cost - non-current (Notes 9 and 32)	179,195	2	179,145	2	179,145	2
Property, plant and equipment (Notes 15 and 32)	3,119,162	32	3,023,515	31	2,351,497	25
Right-of-use assets (Note 16)	92,137	1	131,029	2	140,441	2
Deferred tax assets (Note 4)	60,791	1	60,643	1	69,286	1
Refundable deposits	26,788	-	17,821	-	21,041	-
Other non-current assets (Note 17)	310,619	3	320,513	3	786,226	9
Total non-current assets	3,798,958	39	3,742,061	39	3,556,952	39
TOTAL	$ 9,804,546	100	$ 9,661,871	100	$ 9,232,847	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 32)	$ 1,123,000	12	$ 1,478,200	15	$ 1,533,800	17
Short-term bills payable (Notes 18 and 32)	279,517	3	409,296	4	379,566	4
Contract liabilities (Note 24)	566,290	6	549,189	6	552,639	6
Notes payable (Note 19)	296,263	3	239,715	3	222,675	2
Notes payable to related parties (Notes 19 and 31)	64,686	1	26,828	-	32,741	-
Accounts payable (Note 19)	180,398	2	221,143	2	164,580	2
Accounts payable to related parties (Notes 19 and 31)	36,523	-	25,017	-	14,325	-
Other payables (Note 20)	211,138	2	190,841	2	158,253	2
Other payables to related parties (Note 31)	94,794	1	99,444	1	94,365	1
Current tax liabilities	97,683	1	95,718	1	70,142	1
Lease liabilities - current (Note 16)	35,681	-	50,788	1	50,862	1
Current portion of long-term borrowings (Notes 18 and 32)	131,250	1	100,000	1	600,000	6
Other current liabilities	2,192	-	2,352	-	1,809	-
Total current liabilities	3,119,415	32	3,488,531	36	3,875,757	42
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 32)	1,494,750	15	1,060,000	11	514,000	6
Deferred tax liabilities (Note 4)	24,170	-	22,422	-	22,722	-
Lease liabilities - non-current (Note 16)	57,720	1	81,668	1	90,759	1
Other payables to related parties (Note 31)	40,000	-	40,000	1	40,000	-
Net defined benefit liabilities (Note 4)	24,043	-	24,421	-	34,170	-
Guarantee deposits received	40,138	1	39,040	-	46,273	1
Total non-current liabilities	1,680,821	17	1,267,551	13	747,924	8
Total liabilities	4,800,236	49	4,756,082	49	4,623,681	50
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Share capital						
Ordinary shares	4,047,380	41	4,047,380	42	4,047,380	44
Capital surplus	18	-	18	-	18	-
Retained earnings						
Legal reserve	297,577	3	238,244	3	238,244	3
Special reserve	91,055	1	14,908	-	14,908	-
Unappropriated earnings	672,733	7	696,224	7	410,139	4
Total retained earnings	1,061,365	11	949,376	10	663,291	7
Other equity	(104,523)	(1)	(91,055)	(1)	(101,588)	(1)
Total equity attributable to owners of the Company	5,004,240	51	4,905,719	51	4,609,101	50
NON-CONTROLLING INTERESTS	70	-	70	-	65	-
Total equity	5,004,310	51	4,905,789	51	4,609,166	50
TOTAL	$ 9,804,546	100	$ 9,661,871	100	$ 9,232,847	100

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

(With Deloitte & Touche auditors' review report dated November 10, 2023)

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 September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 24 and 31)								
Sales	$ 1,276,099	100	$ 1,063,907	100	$ 3,694,385	100	$ 2,948,475	100
Less: Discounts and allowances	(883)	-	(619)	-	(4,396)	-	(2,296)	-
Total operating revenue	1,275,216	100	1,063,288	100	3,689,989	100	2,946,179	100
OPERATING COSTS (Notes 11, 25 and 31)	1,043,817	82	843,289	79	2,984,407	81	2,361,456	80
GROSS PROFIT	231,399	18	219,999	21	705,582	19	584,723	20
OPERATING EXPENSES (Notes 10, 25 and 31)								
Selling and marketing expenses	28,828	2	27,563	3	84,332	2	79,307	2
General and administrative expenses	38,639	3	48,237	4	113,846	3	111,119	4
Expected credit loss (gain)	(4,940)	-	(2,228)	-	1,645	-	(362)	-
Total operating expenses	62,527	5	73,572	7	199,823	5	190,064	6
OTHER OPERATING INCOME AND EXPENSES (Note 25)	-	-	600	-	1,900	-	453	-
PROFIT FROM OPERATIONS	168,872	13	147,027	14	507,659	14	395,112	14
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)								
Interest income	731	-	508	-	2,554	-	1,328	-
Other income	65,779	5	30,628	3	80,858	2	40,149	1
Other gains and losses	(1,664)	-	(4,928)	(1)	19,868	-	(28,066)	(1)
Finance costs	(13,635)	(1)	(12,608)	(1)	(42,723)	(1)	(31,050)	(1)
Total non-operating income and expenses	51,211	4	13,600	1	60,557	1	(17,639)	(1)
PROFIT BEFORE INCOME TAX	220,083	17	160,627	15	568,216	15	377,473	13
INCOME TAX EXPENSE (Notes 4 and 26)	(30,378)	(2)	(27,654)	(2)	(99,657)	(3)	(72,753)	(3)
NET PROFIT FOR THE PERIOD	189,705	15	132,973	13	468,559	12	304,720	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 September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	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	$ 1,861	-	$ (29,929)	(3)	$ (45,091)	(1)	$ (96,655)	(3)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation to the presentation currency	109	-	136	-	(1,157)	-	(1,630)	-
Other comprehensive income (loss), net of income tax	1,970	-	(29,793)	(3)	(46,248)	(1)	(98,285)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 191,675	15	$ 103,180	10	$ 422,311	11	$ 206,435	7
NET PROFIT ATTRIBUTABLE TO:								
Shareholders of the Company	$ 189,705	15	$ 132,973	13	$ 468,559	13	$ 304,720	10
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 189,705	15	$ 132,973	13	$ 468,559	13	$ 304,720	10
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of the Company	$ 191,675	15	$ 103,180	10	$ 422,311	11	$ 206,435	7
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 191,675	15	$ 103,180	10	$ 422,311	11	$ 206,435	7
EARNINGS PER SHARE (Note 27)								
Basic	$ 0.47		$ 0.33		$ 1.16		$ 0.75	
Diluted	$ 0.47		$ 0.33		$ 1.15		$ 0.75	

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

(With Deloitte & Touche auditors' review report dated November 10, 2023) (Concluded)

LUCKY CEMENT CO. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Cash Dividend Per Share)

	Equity Attributable to Owners of the Company									
			Retained Earnings			Other Equity				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	$ 4,047,380	$ 18	$ 210,524	$ 14,135	$ 374,225	$ 4,368	$ (5,141)	$ 4,645,509	$ 65	$ 4,645,574
Appropriation of 2021 earnings										
Legal reserve	-	-	27,720	-	(27,720)	-	-	-	-	-
Special reserve	-	-	-	773	(773)	-	-	-	-	-
Cash dividend to shareholders - NT$0.60 per share	-	-	-	-	(242,843)	-	-	(242,843)	-	(242,843)
Net profit for the nine months ended September 30, 2022	-	-	-	-	304,720	-	-	304,720	-	304,720
Other comprehensive loss for the nine months ended September 30, 2022	-	-	-	-	-	(1,630)	(96,655)	(98,285)	-	(98,285)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	304,720	(1,630)	(96,655)	206,435	-	206,435
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 23)	-	-	-	-	2,530	-	(2,530)	-	-	-
BALANCE AT SEPTEMBER 30, 2022	$ 4,047,380	$ 18	$ 238,244	$ 14,908	$ 410,139	$ 2,738	$ (104,326)	$ 4,609,101	$ 65	$ 4,609,166
BALANCE AT JANUARY 1, 2023	$ 4,047,380	$ 18	$ 238,244	$ 14,908	$ 696,224	$ 3,668	$ (94,723)	$ 4,905,719	$ 70	$ 4,905,789
Appropriation of 2022 earnings										
Legal reserve	-	-	59,333	-	(59,333)	-	-	-	-	-
Special reserve	-	-	-	76,147	(76,147)	-	-	-	-	-
Cash dividend to shareholders - NT$0.80 per share	-	-	-	-	(323,790)	-	-	(323,790)	-	(323,790)
Net profit for the nine months ended September 30, 2023	-	-	-	-	468,559	-	-	468,559	-	468,559
Other comprehensive loss for the nine months ended September 30, 2023	-	-	-	-	-	(1,157)	(45,091)	(46,248)	-	(46,248)
Total comprehensive loss for the nine months ended September 30, 2023	-	-	-	-	468,559	(1,157)	(45,091)	422,311	-	422,311
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 23)	-	-	-	-	(32,780)	-	32,780	-	-	-
BALANCE AT SEPTEMBER 30, 2023	$ 4,047,380	$ 18	$ 297,577	$ 91,055	$ 672,733	$ 2,511	$ (107,034)	$ 5,004,240	$ 70	$ 5,004,310

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

(With Deloitte & Touche auditors' review report dated November 10, 2023)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 568,216	$ 377,473
Adjustments for:		
Depreciation expense	117,271	113,433
Amortization and depletion expense	13,059	12,309
Expected credit loss (gain) on trade receivables	1,645	(362)
Net loss on fair value changes of financial assets at fair value through profit or loss	(24,726)	20,419
Finance costs	42,723	31,050
Interest income	(2,554)	(1,328)
Dividend income	(62,568)	(26,911)
Gain on disposal of property, plant and equipment	(1,900)	(453)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	77,540	(33,677)
Notes receivable	(56,894)	(98,320)
Notes receivable from related parties	(139)	6,444
Accounts receivable	(116,162)	(69,299)
Accounts receivable from related parties	1,189	(4,333)
Other receivables	997	(21)
Other receivables from related parties	(72)	12
Inventories	(162,925)	(125,841)
Prepayments	149,391	(13,841)
Other current assets	387	4,418
Other non-current assets	446	(1)
Contract liabilities	17,101	361,850
Notes payable	56,548	7,932
Notes payable to related parties	37,858	(10,407)
Accounts payable	(40,745)	41,210
Accounts payable to related parties	11,506	12,279
Other payables	18,645	26,417
Other payables to related parties	(995)	(1,537)
Other current liabilities	(160)	272
Net defined benefit liabilities	(378)	(575)
Cash generated from operations	644,304	628,612
Interest received	2,432	1,133
Interest paid	(52,318)	(30,025)
Income tax paid	(95,907)	(15,438)
Net cash generated from operating activities	498,511	584,282

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2023	**2022**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	$ (69,607)	$ (165,636)
Proceeds from sale of financial assets at fair value through other comprehensive income (Note 28)	26,482	24,518
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	5,700
Decrease in financial assets at amortized cost	57,003	49,102
Acquisition of property, plant and equipment (Note 28)	(166,969)	(756,641)
Proceeds from disposal of property, plant and equipment	1,900	3,100
Increase in refundable deposits	(8,967)	(2,614)
Increase in other non-current assets	(35)	(14,938)
Other dividends received	62,568	26,911
Net cash used in investing activities	(97,625)	(830,498)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	605,441
Decrease in short-term borrowings	(355,200)	-
Decrease in short-term bills payable	(130,000)	(25,000)
Proceeds from long-term borrowings	576,000	494,000
Repayments of long-term borrowings	(110,000)	(414,000)
Increase in guarantee deposits received	1,098	12,263
Increase in other payables to related parties	-	87,500
Repayment of the principal portion of lease liabilities	(42,161)	(41,360)
Cash dividends paid	(323,790)	(242,843)
Net cash (used in) generated from financing activities	(384,053)	476,001
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(871)	(1,242)
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,962	228,543
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	269,974	220,238
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 285,936	$ 448,781

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

(With Deloitte & Touche auditors’ review report dated November 10, 2023) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on November 10, 2023.

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 "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

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

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of that the application of other standards and interpretations will have 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 are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

The Group is also engaged in construction and development of properties; its operating cycle is longer than 1 year. Its assets and liabilities related to the construction business are not classified as current or non-current under normal operating cycle but presented according to the order of their perceived liquidity to non-liquidity.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of 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.

Refer Note 12 and Note 36, Table 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) 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.

2) 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.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Refer to the statements of critical accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand and revolving funds	$ 1,342	$ 1,359	$ 1,320
Checking accounts and demand deposits	283,818	265,216	272,066
Foreign currency demand deposits	776	3,399	770
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	-	-	174,625
	$ 285,936	$ 269,974	$ 448,781

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2023	December 31, 2022	September 30, 2022
Current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 808	$ 53,622	$ 58,190

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	September 30, 2023	December 31, 2022	September 30, 2022
Current			
Domestic investments - listed shares	$ 121,115	$ 123,952	$ 114,428
Non-current			
Domestic investments - unlisted shares	$ 10,266	$ 9,395	$ 9,316

The aforementioned information for investments, please refer to Note 36, Table 3 “Marketable Securities Held”.

For other relevant information on financial assets measured at FVTOCI, please refer to Note 23 (e) and Note 30.

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

For the nine months ended September 30, 2023 and 2022, the Group disposed of partial common stock at fair value of $26,482 thousand and $23,894 thousand, and related other equity - unrealized valuation gains or losses on financial assets at fair value through other comprehensive losses of $32,780 thousand and income of $2,530 thousand were transferred to retained earnings, respectively.

For the nine months ended September 30, 2023, the Group the dividend income of $62,568 thousand.

For the nine months ended September 30, 2022, the Group recognized a capital reduction refunded of investee of $5,700 thousand and dividend income of $26,911 thousand at fair value through other comprehensive income, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
Current			
Time deposits with original maturities of more than 3 months (a)	$ 26,481	$ 26,434	$ 17,467
Restricted assets (b)	35,720	92,820	68,565
	$ 62,201	$ 119,254	$ 86,032
Non-current			
Restricted assets (c)	$ 179,195	$ 179,145	$ 179,145

a. The interest rates of time deposits with original maturities of more than 3 months were approximately 1.57%-1.64%, 1.44%-1.68% and 0.96%-2.32% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

b. The restricted assets - current are savings deposits and certificate of deposits that are provided as guarantees for bank loan and construction contract; market interest rate ranges were approximately 0.55%-1.57%, 0.20%-1.44% and 0.15%-1.19% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

c. The restricted assets - non-current are certificate of deposits in the bank that is pledged as the security of mining right, which has market interest rates range of approximately 0.5%-1.58%, 0.50%-1.44% and 0.10%-1.16% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

d. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable			
At amortized cost			
Gross carrying amount	$ 489,819	$ 432,925	$ 395,600
Trade receivables			
At amortized cost			
Gross carrying amount	$ 698,573	$ 583,777	$ 506,637
Less: Allowance for impairment loss	(22,218)	(21,939)	(18,581)
	$ 676,355	$ 561,838	$ 488,056
Other receivables			
Others	$ 579	$ 1,454	$ 2,205
Overdue receivables			
Overdue	$ 31,065	$ 29,699	$ 28,743
Less: Allowance for impairment loss	(31,065)	(29,699)	(28,743)
	$ -	$ -	$ -

a. Notes receivable

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

Notes receivable of the Group are not overdue as of the balance sheet date.

Please refer to Note 32 for information relating to notes receivable pledged as security.

b. Trade receivables

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

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

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

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

September 30, 2023

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.29%	6.75%	12.18%	22.81%-88.62%	100%	100%	
Gross carrying amount	$ 641,282	$ 23,971	$ 10,371	$ 10,162	$ 5,833	$ 38,019	$ 729,638
Loss allowance (Lifetime ECLs)	(1,418)	(1,618)	(1,263)	(5,132)	(5,833)	(38,019)	(53,283)
Amortized cost	$ 639,864	$ 22,353	$ 9,108	$ 5,030	$ -	$ -	$ 676,355

December 31, 2022

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.29%	6.75%	12.18%	22.81%-88.62%	100%	100%	
Gross carrying amount	$ 521,255	$ 25,548	$ 11,422	$ 16,299	$ 2,299	$ 36,653	$ 613,476
Loss allowance (Lifetime ECLs)	(1,137)	(1,725)	(1,391)	(8,433)	(2,299)	(36,653)	(51,638)
Amortized cost	$ 520,118	$ 23,823	$ 10,031	$ 7,866	$ -	$ -	$ 561,838

September 30, 2022

	Not Past Due	Past Due within 30 Days	Past Due 31 to 60 Days	Past Due 61 to 180 Days	Past Due Over 181 Days	Assessed Individually	Total
Expected credit loss rate	0%-0.69%	8.90%	15.60%	22.03%-71.86%	100%	100%	
Gross carrying amount	$ 454,754	$ 14,626	$ 13,690	$ 14,056	$ 2,557	$ 35,697	$ 535,380
Loss allowance (Lifetime ECLs)	(2,478)	(1,302)	(2,134)	(3,156)	(2,557)	(35,697)	(47,324)
Amortized cost	$ 452,276	$ 13,324	$ 11,556	$ 10,900	$ -	$ -	$ 488,056

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

	For the Nine Months Ended September 30	
	2023	**2022**
Balance at January 1	$ 51,638	$ 47,686
Add: Net remeasurement of loss allowance	1,645	-
Less: Net remeasurement of loss allowance	-	(362)
Balance at September 30	$ 53,283	$ 47,324

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 September 30, 2023, December 31, 2022 and September 30, 2022, the expected credit loss rate of other receivables was 0% consistently.

11. INVENTORIES

	September 30, 2023	December 31, 2022	September 30, 2022
Real estate under development and real estate to be developed	$ 3,575,348	$ 3,429,158	$ 3,215,665
Raw materials	331,556	319,842	199,512
Finished goods	136,179	115,900	187,723
Work in progress	36,470	94,460	78,720
Supplies and spare parts	142,857	99,255	113,502
Merchandise	5,556	6,426	7,191
	$ 4,227,966	$ 4,065,041	$ 3,802,313

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Cost of inventories sold	$ 1,043,817	$ 843,289	$ 2,984,407	$ 2,361,456

The inventories pledged as collateral for bank borrowings are set out in Note 32.

12. SUBSIDIARIES

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

			Percentage of Equity Held (%)		
Investor Company Name	Subsidiary Name	Nature of Business	September 30, 2023	December 31, 2022	September 30, 2022
Lucky Cement Co.	Dasheng Enterprise Co., Ltd. ("Dasheng Enterprise")	Sale and lease of national residences, commercial buildings, parking lots and industrial areas.	99.99	99.99	99.99
	Luckicon Ready-mixed Concrete Factory Co., Ltd. ("Luckicon Ready-Mixed Co.")	Production and sale of concrete.	100.00	100.00	100.00
	Lucky Cement Corp., Japan ("Lucky Cement Japan")	Buy and sell of cement.	100.00	100.00	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

As of September 30, 2023 and 2022, except for the Dasheng Enterprise, Luckicon Ready-Mixed Co. 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 September 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were $36,830 thousand and $43,625 thousand, respectively, both representing 0%, of the consolidated total assets; and combined total liabilities of these subsidiaries were $3,599 thousand and $3,420 thousand, respectively, both representing 0% of the consolidated total liabilities. For the three months and the nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive loss of these subsidiaries were $1,485 thousand, $787 thousand, $5,952 thousand and $3,600 thousand, respectively, representing (1%), (1%), (1%) and (2%), respectively.

13. PREPAYMENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Prepaid expenses	$ 81,044	$ 72,009	$ 71,446
Prepaid purchase materials	21,045	28,845	6,828
Office supplies	1,441	32,264	48,319
Prepayments for land purchases	-	119,595	119,595
Others	455	663	1,098
	$ 103,985	$ 253,376	$ 247,286

Dasheng Enterprise acquired land from the unrelated party for the total contract price of $128,092 thousand. On August 30, 2023, the transfers to inventory - real estate under development and real estate to be developed was completed.

14. OTHER CURRENT ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Offset against business tax payable	$ 25,821	$ 26,212	$ 24,869
Others	6	2	5
	$ 25,827	$ 26,214	$ 24,874

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Cost							
Balance at January 1, 2023	$ 2,334,454	$ 2,209,767	$ 5,598,597	$ 1,106,961	$ 935,086	$ 362,106	$ 12,546,971
Additions	13,720	10,753	101,249	14,116	18,618	12,750	171,206
Disposals	-	-	(130)	(2,378)	(5,901)	(14,712)	(23,121)
Net exchange difference	-	(5,104)	(671)	-	(18)	(26)	(5,819)
Balance at September 30, 2023	2,348,174	2,215,416	5,699,045	1,118,699	947,785	360,118	12,689,237

(Continued)

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
Accumulated depreciation and impairment							
Balance at January 1, 2023	$ -	$ 1,967,948	$ 5,515,364	$ 1,101,436	$ 593,707	$ 345,001	$ 9,523,456
Depreciation expenses	-	29,934	12,216	2,635	22,715	7,773	75,273
Disposals	-	-	(130)	(2,378)	(5,901)	(14,712)	(23,121)
Net exchange difference	-	(4,927)	(562)	-	(18)	(26)	(5,533)
Balance at September 30, 2023	-	1,992,955	5,526,888	1,101,693	610,503	338,036	9,570,075
Carrying amounts at September 30, 2023	$ 2,348,174	$ 222,461	$ 172,157	$ 17,006	$ 337,282	$ 22,082	$ 3,119,162
Carrying amounts at December 31, 2022 and January 1, 2023	$ 2,334,454	$ 241,819	$ 83,233	$ 5,525	$ 341,379	$ 17,105	$ 3,023,515
Cost							
Balance at January 1, 2022	$ 1,652,873	$ 2,211,887	$ 5,591,122	$ 1,106,961	$ 862,793	$ 362,750	$ 11,788,386
Additions	-	-	15,822	-	103,671	5,162	124,655
Disposals	-	-	(193)	-	(48,060)	-	(48,253)
Net exchange difference	-	(6,428)	(840)	-	(22)	(32)	(7,322)
Balance at September 30, 2022	1,652,873	2,205,459	5,605,911	1,106,961	918,382	367,880	11,857,466
Accumulated depreciation and impairment							
Balance at January 1, 2022	-	1,929,507	5,498,399	1,098,091	617,946	342,409	9,486,352
Depreciation expenses	-	30,749	13,239	2,537	18,633	6,999	72,157
Disposals	-	-	(193)	-	(45,413)	-	(45,606)
Net exchange difference	-	(6,178)	(702)	-	(22)	(32)	(6,934)
Balance at September 30, 2022	-	1,954,078	5,510,743	1,100,628	591,144	349,376	9,505,969
Carrying amounts at September 30, 2022	$ 1,652,873	$ 251,381	$ 95,168	$ 6,333	$ 327,238	$ 18,504	$ 2,351,497

(Concluded)

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

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

Buildings	
Main building of plant	35-55 years
Electrical power equipment	10-15 years
Engineering system	3-5 years
Machinery and equipment	2-10 years
Electrical equipment	5-15 years
Transportation equipment	3-15 years
Other equipment	3-10 years

c. There were no impairment losses of assets for the nine months ended September 30, 2023 and 2022 since the Group did not perform an impairment test.

d. Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 32.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount			
Land	$ 21,680	$ 27,898	$ 30,320
Buildings	70,038	103,083	109,931
Transportation equipment	419	48	190
	$ 92,137	$ 131,029	$ 140,441

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Addition to right-of-use assets			$ 3,106	$ 26,129
Depreciation charge for right-of-use assets				
Land	$ 2,899	$ 2,756	$ 8,696	$ 8,289
Buildings	11,015	10,854	33,045	32,560
Transportation equipment	79	142	257	427
	$ 13,993	$ 13,752	$ 41,998	$ 41,276

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 nine months ended September 30, 2023 and 2022.

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amount			
Current	$ 35,681	$ 50,788	$ 50,862
Non-current	$ 57,720	$ 81,668	$ 90,759

Range of discount rate for lease liabilities was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Land	1.50%-2.03%	1.50%-1.85%	1.50%-1.68%
Buildings	1.50%-1.76%	1.50%-1.76%	1.50%-1.60%
Transportation equipment	2.03%	1.60%	1.60%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of offices and operation with lease terms of 3 to 6 years.

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

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

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	$ 900	$ 1,029	$ 2,782	$ 2,704
Expenses relating to low-value asset leases	163	93	474	279
Interest on lease liabilities	383	463	1,314	1,547
Principal portion of lease liabilities	13,822	13,737	42,161	41,360
Total cash outflow for leases	$ 15,268	$ 15,322	$ 46,731	$ 45,890

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

17. OTHER NON-CURRENT ASSETS

	September 30, 2023	December 31, 2022	September 30, 2022
Prepayments for equipment	$ 241,311	$ 237,735	$ 155,776
Long-term prepaid expenses	31,669	44,692	49,583
Prepayments for investment property	18,874	18,874	561,653
Net limestone mining rights	18,765	18,766	18,767
Net defined benefit assets (Note 4)	-	446	447
	$ 310,619	$ 320,513	$ 786,226

In May 2021, the Group purchased fund beneficiary certificates which were classified as non-current financial assets at fair value through profit or loss. The Group decided to settle and distribute its real estate to investors. Because the transfer procedures of the real estate allocated by the Group have not been completed, it was recorded in other non-current assets - prepayments for investment property.

18. BORROWINGS

a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Secured borrowings (Note 32)			
Bank loans	$ 608,000	$ 1,093,200	$ 1,148,800
Unsecured borrowings			
Line of credit borrowings	515,000	385,000	385,000
	$ 1,123,000	$ 1,478,200	$ 1,533,800

The interest rates of the bank loans were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Secured borrowings	1.90%-2.88%	1.75%-2.60%	1.50%-1.97%
Unsecured borrowings	1.89%-2.30%	1.85%-2.17%	1.55%-1.68%

b. Short-term bills payable

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial paper (Note 32)	$ 280,000	$ 410,000	$ 380,000
Less: Unamortized discounts on bills payable	(483)	(704)	(434)
	$ 279,517	$ 409,296	$ 379,566

Outstanding short-term bills payable were as follows:

September 30, 2023

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 50,000	$ 133	$ 49,867	2.11%
China Bills Finance Corporation	50,000	14	49,986	2.02%
Dah Chung Bills Finance Corporation	50,000	14	49,986	2.04%
Grand Bills Finance Corporation	50,000	156	49,844	1.90%
Mega Bills Finance Corporation	80,000	166	79,834	1.90%
	$ 280,000	$ 483	$ 279,517	

December 31, 2022

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 130,000	$ 301	$ 129,699	1.98%-2.01%
Mega Bills Finance Corporation	80,000	8	79,992	1.86%
Dah Chung Bills Finance Corporation	100,000	124	99,876	1.76%-2.03%
China Bills Finance Corporation	100,000	271	99,729	1.92%-1.97%
	$ 410,000	$ 704	$ 409,296	

September 30, 2022

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 130,000	$ 152	$ 129,848	1.48%
China Bills Finance Corporation	100,000	63	99,937	1.39%-1.68%
Dah Chung Bills Finance Corporation	100,000	142	99,858	1.40%-1.47%
Grand Bills Finance Corporation	50,000	77	49,923	1.51%
	$ 380,000	$ 434	$ 379,566	

The above refer to commercial promissory notes guaranteed by banks, and the term of each note does not exceed 180 days.

c. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Secured borrowings (Note 32)			
Bank loans	$ 1,626,000	$ 1,060,000	$ 1,014,000
Unsecured borrowings			
Loans from bank	-	100,000	100,000
Less: Current portion	(131,250)	(100,000)	(600,000)
Long-term borrowings	$ 1,494,750	$ 1,060,000	$ 514,000

	Method of Repayment	September 30, 2023	December 31, 2022	September 30, 2022
Secured borrowings				
Taiwan Cooperative Bank	The loan period is from October 5, 2022 to January 12, 2027. In addition, the Group signed a new contract of $86 million in October 2022. Repayment schedule for the principal is $50 million in April 2024 and the balance payable in quarters (ending January, April, July, October).	$ 600,000	$ 600,000	$ 514,000
O-Bank	The loan period is from December 28, 2022 to December 28, 2027; the principal will be repaid one time on maturity date.	460,000	460,000	-
Sunny Bank	Revolving loan; credit period is from March 30, 2023 to May 30, 2026; the principal will be repaid one time on maturity date.	316,000	-	-
Bank of Taiwan	The loan period is from April 17, 2023 to April 17, 2026. Repayment schedule for the principal is $31.25 million in July 2024 and the balance payable in 8 quarters (ending January, April, July, October).	250,000	-	-
O-Bank	The loan period is from November 21, 2017 to November 21, 2022; the principal will be repaid one time on maturity date.	-	-	250,000
O-Bank	The loan period is from December 28, 2017 to December 28, 2022; the principal will be repaid one time on maturity date.	-	-	250,000
Unsecured borrowings				
The Export-Import Bank of the Republic of China	Revolving loan; period is from August 5, 2022 to September 5, 2023.	-	100,000	100,000
		1,626,000	1,160,000	1,114,000
Less: Current portion		(131,250)	(100,000)	(600,000)
Long-term borrowings		$ 1,494,750	$ 1,060,000	$ 514,000

The annual interest rate of long-term borrowings were 2.21%-3.06%, 2.13%-3.06% and 1.88%-2.14% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

Dasheng Enterprise signed a medium-term loan commitment with O-Bank to guarantee that the mortgaged land should start construction before June 28, 2024 or at the latest within 18 months after the date of loan transfer. If the construction isn’t started as scheduled, the loan amount will be lower, and the interest rate will be raised stepwise (by 0.25% each year). The progress of the project will be regularly reviewed. Another agreement fulfillment tracking items are as follows:

1) The following financial ratios shall be maintained in the Group’s annual consolidated financial statements, which shall be reviewed annually during the term of the credit facility

    a) Current ratio (current assets/current liabilities): Should be at least 100% (inclusive);

    b) Debt ratio [(total liabilities/(net worth - intangible assets)]: Not higher than 120%;

    c) Net tangible value (net worth - intangible assets): Should be maintained at least NT$4 billion (inclusive).

2) Collateral must be revalued once a year by an external appraiser approved by O-Bank. LTV Ratio (Loan-to-value ratio) must be no more than 50%. If it is higher than 50%, Dasheng Enterprise is required to provide the pledged deposit to O-Bank for the difference within 10 business days from the appraisal report date or settle the credit balance in advance. If it is less than 50%, the deposit slip can be canceled for the original.

19. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
Notes payable			
From operating activities			
Non-related parties	$ 296,263	$ 239,715	$ 222,675
Related parties	$ 64,686	$ 26,828	$ 32,741
Trade payables			
From operating activities			
Non-related parties	$ 180,398	$ 221,143	$ 164,580
Related parties	$ 36,523	$ 25,017	$ 14,325

The Group's notes payable and trade payables (including related parties) arise from operating activities. The average credit period for purchases is 3 months. The Group's financial risk management policies ensure that all payables are repaid within the pre-agreed credit period.

20. OTHER PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
Payables for salaries and bonuses	$ 109,601	$ 117,225	$ 80,744
Payables for utilities expense	25,239	11,293	22,248
Payables for taxes	20,792	9,153	14,708
Payables for purchases of equipment	16,123	14,348	7,463
Others	39,383	38,822	33,090
	$ 211,138	$ 190,841	$ 158,253

21. 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, 2022 and 2021. 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 September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Operating costs	$ 126	$ 121	$ 377	$ 371
Selling and marketing expenses	28	26	84	79
General and administrative expenses	52	47	159	150
	$ 206	$ 194	$ 620	$ 600

22. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current/non-current classification of the Group's assets and liabilities relating to the construction and development business was based on its operating cycle. The amounts expected to be recovered or settled within 1 year after the reporting period and more than 1 year after the reporting period for related assets and liabilities were as follows:

September 30, 2023

	Within 1 Year	More Than 1 Year	Total
Assets			
Financial assets at amortized cost	$ 31,820	$ -	$ 31,820
Inventories	-	3,575,348	3,575,348
	$ 31,820	$ 3,575,348	$ 3,607,168
Liabilities			
Contract liabilities	$ -	$ 262,042	$ 262,042

December 31, 2022

	Within 1 Year	More Than 1 Year	Total
Assets			
Financial assets at amortized cost	$ 31,820	$ -	$ 31,820
Inventories	-	3,429,158	3,429,158
Prepayment for land purchases	-	119,595	119,595
	$ 31,820	$ 3,548,753	$ 3,580,573
Liabilities			
Contract liabilities	$ -	$ 262,042	$ 262,042

September 30, 2022

	Within 1 Year	More Than 1 Year	Total
Assets			
Financial assets at amortized cost	$ 31,820	$ -	$ 31,820
Inventories	-	3,215,665	3,215,665
Prepayment for land purchases	-	119,595	119,595
	$ 31,820	$ 3,335,260	$ 3,367,080
Liabilities			
Contract liabilities	$ -	$ 262,042	$ 262,042

23. EQUITY

a. Share capital

Ordinary shares

	September 30, 2023	December 31, 2022	September 30, 2022
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

	September 30, 2023	December 31, 2022	September 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition	$ 10	$ 10	$ 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 25 (h), employee benefits, for the revised policy on the compensation of employees and remuneration of directors.

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

The Company shall appropriate to or reverse from special reserve pursuant to the provisions set forth in the Letter No. Jin-Kuang-Fa-Tzi No. 1090150022 and "Following the adoption of International Financial Reporting Standards, questions and answers on special reserve". When a deduction item in equity is reversed, the reversed amount may be allocated to capital surplus.

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

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

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

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

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

d. Special reserve

	For the Nine Months Ended September 30	
	2023	**2022**
Balance at January 1	$ 14,908	$ 14,135
Appropriations in respect of		
Debits to other equity items	76,147	773
Balance at September 30	$ 91,055	$ 14,908

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

e. Other equity items

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

	For the Nine Months Ended September 30	
	2023	**2022**
Balance at January 1	$ 3,668	$ 4,368
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	(1,157)	(1,630)
Balance at September 30	$ 2,511	$ 2,738

2) Unrealized valuation loss on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	$ (94,723)	$ (5,141)
Recognized for the period		
Unrealized loss - equity instruments	(45,091)	(96,655)
Other comprehensive loss recognized for the year	(45,091)	(96,655)
Cumulative unrealized (loss) gain of equity instruments transferred to retained earnings due to disposal	32,780	(2,530)
Balance at September 30	$ (107,034)	$ (104,326)

24. REVENUE

a. Segmentation of customer's contract revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Cement	$ 508,458	$ 452,711	$ 1,573,914	$ 1,322,621
Cement products	461,988	368,640	1,286,372	964,413
Stone materials	170,031	126,718	433,635	348,512
Others	134,739	115,219	396,068	310,633
	$ 1,275,216	$ 1,063,288	$ 3,689,989	$ 2,946,179

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

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Notes receivable (Note 10)	$ 489,819	$ 432,925	$ 395,600	$ 297,280
Notes receivable from related parties	$ 139	$ -	$ 127	$ 6,571
Trade receivables (Note 10)	$ 676,355	$ 561,838	$ 488,056	$ 418,395
Trade receivables from related parties	$ 10,535	$ 11,724	$ 7,583	$ 3,250
Contract liabilities				
Cement sales	$ 284,600	$ 283,936	$ 289,101	$ 189,789
Real estate sales	262,042	262,042	262,042	-
Others	19,648	3,211	1,496	1,000
	$ 566,290	$ 549,189	$ 552,639	$ 190,789

25. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Gain on disposal of property, plant and equipment	$ -	$ 600	$ 1,900	$ 453

b. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank deposits	$ 731	$ 508	$ 2,554	$ 1,328

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Dividends	$ 62,568	$ 26,911	$ 62,568	$ 26,911
Rental income	2,234	2,159	6,551	6,476
Others	977	1,558	11,739	6,762
	$ 65,779	$ 30,628	$ 80,858	$ 40,149

d. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net (loss) gain on foreign currency exchange	$ (679)	$ 675	$ (1,041)	$ (3,197)
Net gain (loss) on fair value changes of financial assets at fair value through profit or loss	168	(3,810)	24,726	(20,419)
Depreciation of leased assets	(574)	(512)	(1,719)	(1,537)
Others	(579)	(1,281)	(2,098)	(2,913)
	$ (1,664)	$ (4,928)	$ 19,868	$ (28,066)

e. Financial costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank loan	$ 12,885	$ 11,898	$ 40,336	$ 29,256
Interest on lease liabilities	383	463	1,314	1,547
Interest on loans from related parties	367	247	1,060	247
Others	-	-	13	-
	$ 13,635	$ 12,608	$ 42,723	$ 31,050

Information about interest capitalization is as follows:

	For the Nine Months Ended September 30	
	2023	2022
Amount of interest capitalized	$ 9,709	$ -
Interest capitalized rate	1.99%-2.16%	-

f. Depreciation, amortization and depletion

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Property, plant and equipment	$ 25,413	$ 24,547	$ 75,273	$ 72,157
Right-of-use assets	13,993	13,752	41,998	41,276
Long-term prepaid expenses	4,070	4,915	13,058	12,308
Limestone mining rights	-	-	1	1
	$ 43,476	$ 43,214	$ 130,330	$ 125,742
An analysis of depreciation by function				
Operating costs	$ 28,078	$ 26,971	$ 83,088	$ 79,668
Operating expenses	10,754	10,816	32,464	32,228
Non-operating expenses	574	512	1,719	1,537
	$ 39,406	$ 38,299	$ 117,271	$ 113,433
An analysis of amortization by function				
Operating costs	$ 3,704	$ 4,462	$ 11,960	$ 10,413
Operating expenses	366	453	1,098	1,895
	$ 4,070	$ 4,915	$ 13,058	$ 12,308
An analysis of depletion by function				
Operating costs	$ -	$ -	$ 1	$ 1

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Post-employment benefits				
Defined contribution plan	$ 3,444	$ 3,260	$ 10,270	$ 9,529
Defined benefit plans (Note 21)	206	194	620	600
	3,650	3,454	10,890	10,129
Other employee benefits	108,471	108,853	313,652	288,310
Total employee benefits expense	$ 112,121	$ 112,307	$ 324,542	$ 298,439
An analysis of employee benefits expense by function				
Operating costs	$ 70,015	$ 64,191	$ 204,917	$ 185,293
Operating expenses	42,106	48,116	119,625	113,146
	$ 112,121	$ 112,307	$ 324,542	$ 298,439

h. Compensation of employees and remuneration of directors

The Company shall appropriate 3% and not less than 5% of the profit before tax and before deduction of compensation of employees and remuneration of directors in the current year. The compensation of employees and the remuneration of directors for the three months and the nine months ended September 30, 2023 and 2022 are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2023	2022
Compensation of employees	3%	3%
Remuneration of directors	5%	5%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Compensation of employees	$ 6,729	$ 4,939	$ 17,460	$ 11,617
Remuneration of directors	11,216	8,230	29,100	19,361

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 2022 and 2021 that were resolved by the board of directors on March 16, 2023 and March 30, 2022, respectively, are as shown below:

Amount

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Compensation of employees	$ 21,524	$ 9,972
Remuneration of directors	35,874	16,620

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

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

i. Gains or losses on foreign currency exchange

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Foreign exchange gains	$ -	$ 1,807	$ 15	$ 2,660
Foreign exchange losses	(679)	(1,132)	(1,056)	(5,857)
	$ (679)	$ 675	$ (1,041)	$ (3,197)

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current year	$ 28,534	$ 29,613	$ 98,112	$ 70,281
Income tax on unappropriated earnings	(2,534)	-	-	-
Adjustments for prior year	53	-	(55)	(2,363)
	26,053	29,613	98,057	67,918
Deferred tax				
In respect of the current year	4,325	(1,959)	1,600	4,835
Income tax expense recognized in profit or loss	$ 30,378	$ 27,654	$ 99,657	$ 72,753

b. Income tax assessments

The income tax returns through 2021 of the Company, Luckicon Ready-Mixed Co., Dasheng Enterprise, Fuyu Development Co., Ltd. and Luckyship Co. have been assessed by the tax authorities and there is no significant difference between the reported amounts and the assessed amounts.

27. EARNINGS PER SHARE

The earnings and 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 September 30		For the Nine Months Ended September 30	
	2023	**2022**	**2023**	**2022**
Profit for the period attributable to owners of the Company	$ 189,705	$ 132,973	$ 468,559	$ 304,720
Earnings used in the computation of earnings per share	$ 189,705	$ 132,973	$ 468,559	$ 304,720

Earnings Per Share

(In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	**2022**	**2023**	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings per share	404,738	404,738	404,738	404,738
Effect of potentially dilutive ordinary shares				
Compensation of employees	1,212	1,128	1,649	1,406
Weighted average number of ordinary shares used in the computation of diluted earnings per share	405,950	405,866	406,387	406,144

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

28. CASH FLOW INFORMATION

a. 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 nine months ended September 30, 2023 and 2022:

	For the Nine Months Ended September 30	
	2023	**2022**
Partial cash generated from disposal of financial assets at FVTOCI		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 26,482	$ 23,894
Net changes in receivables from sale of securities (reported as other receivables)	-	624
Cash received	$ 26,482	$ 24,518
Partial cash payments for purchase of PP&E		
Acquisition of property, plant and equipment	$ 171,206	$ 124,655
Net changes in prepayments for equipment	(6,133)	81,744
Net changes in prepayments for premises	-	542,779
Net changes in other payables to related parties	3,671	-
Net changes in payables for purchase of equipment	(1,775)	7,463
Cash paid	$ 166,969	$ 756,641

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2023

	Balance at January 1, 2023	Cash Flows	Non-cash Changes: Lease Increase	Non-cash Changes: Discount Amortization	Others	Balance at September 30, 2023
Short-term borrowings	$ 1,478,200	$ (355,200)	$ -	$ -	$ -	$ 1,123,000
Short-term bills payable	409,296	(130,000)	-	221	-	279,517
Long-term borrowings	1,160,000	466,000	-	-	-	1,626,000
Guarantee deposits received	39,040	1,098	-	-	-	40,138
Lease liabilities	132,456	(42,161)	3,106	-	-	93,401
	$ 3,218,992	$ (60,263)	$ 3,106	$ 221	$ -	$ 3,162,056

For the nine months ended September 30, 2022

	Balance at January 1, 2022	Cash Flows	Non-cash Changes: Lease Increase	Non-cash Changes: Discount Amortization	Others	Balance at September 30, 2022
Short-term borrowings	$ 928,359	$ 605,441	$ -	$ -	$ -	$ 1,533,800
Short-term bills payable	404,424	(25,000)	-	142	-	379,566
Long-term borrowings	1,034,000	80,000	-	-	-	1,114,000
Other payables to related parties	48,311	87,500	-	-	(1,446)	134,365
Guarantee deposits received	34,010	12,263	-	-	-	46,273
Lease liabilities	156,852	(41,360)	26,129	-	-	141,621
	$ 2,605,956	$ 718,844	$ 26,129	$ 142	$ (1,446)	$ 3,349,625

29. CAPITAL MANAGEMENT

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

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

In addition to the commitment to maintain the contractual terms of the long-term loans signed between the subsidiary Dasheng Enterprise and the bank. The Group is not yet subject to other external capital requirements.

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

30. FINANCIAL INSTRUMENTS

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

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

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

1) Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 808	$ -	$ -	$ 808
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 121,115	$ -	$ -	$ 121,115
Unlisted shares	-	-	10,266	10,266
	$ 121,115	$ -	$ 10,266	$ 131,381

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 53,622	$ -	$ -	$ 53,622
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 123,952	$ -	$ -	$ 123,952
Unlisted shares	-	-	9,395	9,395
	$ 123,952	$ -	$ 9,395	$ 133,347

September 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 58,190	$ -	$ -	$ 58,190
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 114,428	$ -	$ -	$ 114,428
Unlisted shares	-	-	9,316	9,316
	$ 114,428	$ -	$ 9,316	$ 123,744

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2023 and 2022.

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

For the nine months ended September 30, 2023

	Financial Assets at FVTOCI
	Equity Instruments
Balance at January 1, 2023	$ 9,395
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(1,315)
Additions	2,186
Balance at September 30, 2023	$ 10,266

For the nine months ended September 30, 2022

	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	$ 11,038
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(1,722)
Balance at September 30, 2022	$ 9,316

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

	September 30, 2023	December 31, 2022	September 30, 2022
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 808	$ 53,662	$ 58,190
Financial assets at amortized cost (1)	1,731,870	1,594,386	1,628,805
Financial assets at FVTOCI			
Equity instruments	131,381	133,347	123,744
Financial liabilities			
Amortized cost (2)	3,862,064	3,803,146	3,705,126

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, 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 35.

<u>Sensitivity analysis</u>

The Group is mainly exposed to the USD and RMB.

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

	USD Impact		**RMB Impact**	
	For the Nine Months Ended September 30		**For the Nine Months Ended September 30**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ (44)	$ (8,774)	$ (380)	$ (378)

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

b) Interest rate risk

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

	September 30, 2023	**December 31, 2022**	**September 30, 2022**
Cash flow interest rate risk			
Financial assets	$ 508,526	$ 528,200	$ 670,922
Financial liabilities	3,121,817	3,140,796	3,120,666

Sensitivity analysis

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

Had interest rates increased/decreased by 25 basis points, the profit before tax for the nine months ended September 30, 2023 and 2022 would have decreased/increased by $4,900 thousand and $4,593 thousand, respectively, with all other variables held constant; the non-derivative instruments include floating rate loan, demand deposit, time deposit and restricted asset.

2) Credit risk

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

The policy of the Group is to only trade with counterparties with high reputation, and to require sufficient guarantee to reduce the financial loss from default. The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

3) Liquidity risk

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

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

a) Liquidity and interest rate risk table

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

September 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 256,424	$ 391,771	$ 32,848	$ 4,604	$ 54,600
Lease liabilities	5,303	4,900	26,484	58,596	-
Variable interest rate liabilities	229,972	1,053,545	343,550	1,494,750	-
	$ 491,699	$ 1,450,216	$ 402,882	$ 1,557,950	$ 54,600

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 200,887	$ 256,927	$ 145,765	$ 3,571	$ 55,200
Lease liabilities	9,089	5,239	38,072	83,324	-
Variable interest rate liabilities	179,949	886,347	1,014,500	1,060,000	-
	$ 389,925	$ 1,148,513	$ 1,198,337	$ 1,146,895	$ 55,200

September 30, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 217,319	$ 263,795	$ 43,125	$ 4,821	$ 55,400
Lease liabilities	8,525	4,590	39,389	92,735	-
Variable interest rate liabilities	499,866	1,259,700	847,100	514,000	-
	$ 725,710	$ 1,528,085	$ 929,614	$ 611,556	$ 55,400

b) Financing facilities

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured facilities			
Amount used	$ 795,000	$ 915,452	$ 865,000
Amount unused	840,100	448,268	106,255
	$ 1,635,100	$ 1,363,720	$ 971,255
Secured facilities			
Amount used	$ 2,234,000	$ 2,153,200	$ 2,162,800
Amount unused	665,859	666,800	928,675
	$ 2,899,859	$ 2,820,000	$ 3,091,475

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related parties

Related Party Name	Related Party Category
Other related party	
Yung-Sheng Development Enterprise Co., Ltd. (“Yung-Sheng Development”)	The chairman is also the chairman of the Company
Liang-Chuan Cultural and Educational Foundation (“Liang-Chuan Foundation”)	The chairman is also the chairman of the Company

(Continued)

Related Party Name	Related Party Category
Fudong Freight Co., Ltd. (“Fudong Freight”)	The chairman is first-degree relative of the chairman of the Company
East Life Biotech Co., Ltd. (“East Life Biotech”)	The chairman is also the chairman of the Company
Jia Fu Entertainment Co., Ltd. (“Jia Fu Entertainment”)	The chairman is first-degree relative of the chairman of the Company
Wantong Property Insurance Brokers Co., Ltd. (“Wantong Property Insurance”)	The chairman is first-degree relative of the chairman of the Company
Lucky Construction Co., Ltd. (“Lucky Construction”)	The chairman is first-degree relative of the chairman of the Company
Kuochuan Development Co., Ltd. (“Kuochuan Development”)	The chairman is first-degree relative of the chairman of the Company
Ri Kon Construction Co., Ltd. (Ri Kon Construction)	The chairman is first-degree relative of the chairman of the Company
Changheng Investment Co. (“Changheng Investment”)	The company is major shareholder of the Company
Jinli Investment Co., Ltd. (“Jinli Investment”)	The company is major shareholder of the Company
Cheng Haibin	The person is third-degree relative of the chairman of the Company
Fuan Mining Co., Ltd. (“Fuan Mining”)	A manager in the company is spouse of a first-degree relative of the chairman of the Company

(Concluded)

b. Business transactions

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Sales	Other related parties	$ 28,438	$ 22,513	$ 73,369	$ 60,182
Purchases of goods	Fuan Mining	$ 87,055	$ 36,322	$ 243,639	$ 97,656
	Other related parties	12,156	8,489	31,777	24,315
		$ 99,211	$ 44,811	$ 275,416	$ 121,971
Operating costs - transportation expenses	Other related parties	$ 3,890	$ 2,602	$ 10,234	$ 7,210
Operating costs - manufacturing expenses	Other related parties	$ 6	$ -	$ 9	$ 99
Operating expense	Other related parties	$ 274	$ 369	$ 926	$ 1,387

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 Items	Related Party Category	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable	Yung-Sheng Development	$ 139	$ -	$ 127
Trade receivables	Fuan Mining	$ 10,185	$ 11,143	$ 7,489
	Yung-Sheng Development	350	581	94
		$ 10,535	$ 11,724	$ 7,583
Other receivables	Jia Fu Entertainment	$ 319	$ 241	$ 231
	Other related parties	4	10	4
		$ 323	$ 251	$ 235

The outstanding trade receivables from related parties are unsecured. As of September 30, 2023, December 31, 2022 and September 30, 2022, no impairment losses were recognized for trade receivables from related parties.

d. Payables to related parties

Line Items	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Notes payable	Fuan Mining	$ 59,861	$ 21,605	$ 25,942
	Fudong Freight	4,764	5,202	6,503
	Other related parties	61	21	296
		$ 64,686	$ 26,828	$ 32,741
Trade payables	Fuan Mining	$ 31,547	$ 18,147	$ 12,196
	Fudong Freight	4,976	6,870	2,129
		$ 36,523	$ 25,017	$ 14,325
Other payables - current (excluding loan from related parties)	Fudong Freight	$ 1,309	$ 525	$ 967
	Ri Kon Construction	-	3,671	-
	Other related parties	65	1,844	7
		$ 1,374	$ 6,040	$ 974

The outstanding trade payables to related parties are unsecured.

e Loan from related parties

Line Items	Related Party Name	September 30, 2023	December 31, 2022	September 30, 2022
Other payables - current	Fuan Mining	$ 93,420	$ 93,404	$ 93,391
Other payables - non-current	Cheng Haibin	$ 40,000	$ 40,000	$ 40,000

Financial cost

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Other related parties	$ 367	$ 247	$ 1,060	$ 247

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

Lease arrangements - the Group is lessor under operating leases

Future lease payment receivables are as follows:

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Fudong Freight	$ 3,008	$ 3,164	$ 3,320
Other related parties	36	144	180
	$ 3,044	$ 3,308	$ 3,500

Lease income was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
Related Party Category/Name	2023	2022	2023	2022
Fudong Freight	$ 336	$ 336	$ 1,008	$ 1,008
Other related parties	36	36	108	108
	$ 372	$ 372	$ 1,116	$ 1,116

The rental amounts and collection methods are negotiated.

g. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	**2022**	**2023**	**2022**
Short-term employee benefits	$ 15,859	$ 13,279	$ 46,887	$ 37,292
Post-employment benefits	107	126	340	376
	$ 15,966	$ 13,405	$ 47,227	$ 37,668

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2023	December 31, 2022	September 30, 2022
Property under development (reported as inventories)	$ 3,515,446	$ 3,369,256	$ 3,155,763
Property, plant and equipment	1,949,898	894,079	895,476
Restricted assets (reported as financial assets at amortized cost)	214,915	271,965	247,710
Notes receivable	13,800	-	21,355
	$ 5,694,059	$ 4,535,300	$ 4,320,304

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

a. As of September 30, 2023, the Group signed a contract for purchase of property, plant and equipment; the unpaid amount is $355,427 thousand.

b. As of September 30, 2023, December 31, 2022 and September 30, 2022, unused letters of credit for purchases of raw materials amounted to approximately $0 thousand, $20,452 thousand and $0 thousand, respectively.

c. On March 9, 2022, the board of directors of Dasheng Enterprise resolved to sell thirteen pieces of lands, including Daitianfu Section, Anle District and Keelung City, to non-related parties for $1,746,951 thousand; the installment payments were collected according to the terms of contract. As of September 30, 2023, the Group has received $262,042 thousand and Dasheng Enterprise has recorded contract liabilities.

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

September 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 27	32.27 (USD:NTD)	$ 878
RMB	1,722	4.4150 (RMB NTD)	7,603

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 31	30.71 (USD:NTD)	$ 963
RMB	1,709	4.3920 (RMB NTD)	7,507

September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 5,527	31.75 (USD:NTD)	$ 175,481
RMB	1,692	4.473 (RMB NTD)	7,566

Foreign exchange gains or losses (realized or unrealized) of the Group for the three months and the nine months ended September 30, 2023 and 2022 are respectively losses of $679 thousand, gains of $675 thousand, losses of $1,041 thousand and losses of $3,197 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.

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

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

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

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

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

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

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

9) Trading in derivative instruments: None

10) Intercompany relationships and significant intercompany transactions (Table 7)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the 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

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The 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:

	Segment Revenue		Segment Profit/Loss	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Cement segment	$ 3,689,903	$ 2,946,093	$ 514,455	$ 392,068
Other segments	86	86	(6,796)	3,044
Total from operations	$ 3,689,989	$ 2,946,179	507,659	395,112
Interest income			2,554	1,328
Other income			80,858	40,149
Other gains and losses			19,868	(28,066)
Financial cost			(42,723)	(31,050)
Profit before income tax			$ 568,216	$ 377,473

The segment revenue reported above was all generated from transactions with external customers. There were no inter-segment sales for the nine months ended September 30, 2023 and 2022.

The revenue of segments means the profits earned by each segment, excluding interest income which shall be apportioned, other income, other gains and losses and financial cost.

b. Total assets and liabilities of segments

	September 30, 2023	December 31, 2022	September 30, 2022
Segment assets			
Operating segment			
Cement segment	$ 6,142,886	$ 6,027,362	$ 5,809,776
Other segments	3,661,660	3,634,509	3,423,071
Total assets	$ 9,804,546	$ 9,661,871	$ 9,232,847
Segment liabilities			
Operating segment			
Cement segment	$ 3,922,990	$ 3,894,036	$ 3,721,238
Other segments	877,246	862,046	902,443
Total liabilities	$ 4,800,236	$ 4,756,082	$ 4,623,681

LUCKY CEMENT CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Maximum Balance in Current Period	Related Party	Ending Balance (Note 4)	Actual Amount Borrowed (Note 5)	Interest Rate (%)	Nature of Financing (Note 1)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Bad Debt	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	$ 400,000	Yes	$ 200,000	$ 107,600	2.2758	b.	$ -	Operating turnover	$ -	-	-	$ 500,424	$ 2,001,696
		Luckicon Ready-Mixed Co.	Other receivables from related parties	300,000	Yes	-	-	-		-	Operating turnover	-	-	-	500,424	2,001,696
						$ 200,000										

Note 1: The nature of financing is as follows:

a. Party with business.
b. Party with short-term financing need.

Note 2: Financing of Lucky Cement Co. to a more than 50% owned subsidiary should not be more than 10% of the net value of Lucky Cement Co. at end of year; For a subsidiary that is 20% to 50% owned, loan should not be more than 5% of the net value of Lucky Cement Co. at end of year; for less than 20% owned subsidiary, loan should not be more than 2% of the net value of Lucky Cement Co. at end of year.

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

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

Note 5: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

TABLE 2

LUCKY CEMENT CO. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ 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	$ 2,001,696	$ 580,000	$ 580,000	$ 460,000	$ -	11.59	$ 2,502,120	Y	-	-	
		Luckicon Ready-Mixed Co.	Subsidiary	2,001,696	1,250,000	1,120,000	710,000	-	22.38	2,502,120	Y	-	-	
		Lucky Cement Japan	Subsidiary	2,001,696	11,545	6,480	-	-	0.13	2,502,120	Y	-	-	
						$ 1,706,480								

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

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Number of Shares	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	$ 808	-	$ 808	
	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,494,708	9,940	10.58	9,940	
	Listed ordinary shares							
	Evergreen Marine Corporation (Taiwan) Ltd.	-	Financial assets at FVTOCI - current	510,000	59,160	0.02	59,160	
	Yang Ming Marine Transport Corp.	-	Financial assets at FVTOCI - current	400,000	18,180	0.01	18,180	
	Taiwan Cement Corporation	-	Financial assets at FVTOCI - current	335,640	11,160	-	11,160	
	Formosa Plastics Corporation	-	Financial assets at FVTOCI - current	100,000	7,980	-	7,980	
	Asia Cement Corporation	-	Financial assets at FVTOCI - current	165,000	6,559	-	6,559	
	Far Eastern New Century Corporation	-	Financial assets at FVTOCI - current	200,000	5,750	-	5,750	
	U-Ming Marine Transport Corporation	-	Financial assets at FVTOCI - current	78,000	3,732	0.01	3,732	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	72,351	3,270	-	3,270	
	Winbond Electronics Corporation	-	Financial assets at FVTOCI - current	130,181	3,294	-	3,294	
	Medigen Biotechnology Corp.	-	Financial assets at FVTOCI - current	28,628	969	0.02	969	
	Sanitar Co., Ltd.	-	Financial assets at FVTOCI - current	24,000	853	0.03	853	
	China Development Financial Holding Corporation	-	Financial assets at FVTOCI - current	13,496	159	-	159	
	First Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	972	26	-	26	
	Capital Securities Corp.	-	Financial assets at FVTOCI - current	875	13	-	13	
	Hua Nan Financial Holdings Co., Ltd.	-	Financial assets at FVTOCI - current	472	10	-	10	
Luckyship Co.	Non-listed ordinary shares							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	49,007	326	0.35	326	

Note 1: Financial assets at FVTPL: Fair value is based on the net asset value of funds on September 30, 2023.

Note 2: Financial assets at FVTOCI: Fair value of listed shares is based on their closing price on September 30, 2023. 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 TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)			Note
			Purchase/ Sale	Amount	% of Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance		% of Total (Note 1)	
Lucky Cement Co.	Luckicon Ready-Mixed Co.	Subsidiary	Sale	$ (421,334)	(15.35)	About 90 days	Quote	Quote	Accounts receivable	$ 107,998	15.12	Note 2
									Notes receivable	50,499	7.07	Note 2
	Fuan Mining	Other related parties	Purchase	243,639	21.05	About 90 days	Bargain	Quote	Accounts payable	(31,547)	(8.66)	
									Notes payable	(59,861)	(16.43)	

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

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 2)		Turnover Rate (Note 1)	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
Lucky Cement Co.	Luckicon Ready-Mixed Co.	Subsidiary	Notes and accounts receivable	$ 158,497	4.51	$ -	-	$ 107,638	$ -
			Other receivables	215	-	-	-	215	-
	Dasheng Enterprise	Subsidiary	Other receivables	107,800 (Note 3)	-	-	-	200	-

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

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

Note 3: Of this amount, $107,600 thousand is the financing of its funds and $200 thousand is the receivable payment.

LUCKY CEMENT CO. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Address	Main Businesses and Products	Original Investment Amount (Note 3)		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Value			
Lucky Cement Co.	Dasheng Enterprise	14F., No. 237, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	Sale and lease of real estate	$ 2,367,473	$ 2,367,473	171,452,511	99.99	$ 2,657,853	$ (15,736)	$ (15,736)	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	57,340,000	100.00	875,400	129,405	129,449 (Note 4)	Note 1
	Lucky Cement Japan	Aichi, Japan hekinan Yu Jin-Pu-cho 12 gu	Cement trading	82,300	82,300	6,800	100.00	14,539	(1,903)	(1,903)	Note 2
	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	18,690	(4,004)	(4,008) (Note 5)	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	6,065	692	692	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 shown is the amount prior to capital reduction to make up for the losses.

Note 4: The difference is transactions realized gain of $44 thousand.

Note 5: The difference is transactions unrealized gain of $4 thousand.

Note 6: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

LUCKY CEMENT CO. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No	Company Name	Counterparty	Nature of Relationship (Note)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	% of Consolidated Net Revenue or Total Assets
0	Lucky Cement Co.	Luckicon Ready-Mixed Co.	a.	Accounts receivable	$ 107,998	About 90 days	1.10
		Luckicon Ready-Mixed Co.	a.	Notes receivable	50,499	About 90 days	0.52
		Luckicon Ready-Mixed Co.	a.	Other receivables	215	About 90 days	-
		Luckicon Ready-Mixed Co.	a.	Contract liabilities	14,649	About 90 days	0.15
		Luckicon Ready-Mixed Co.	a.	Sales revenue	421,334	About 90 days	11.42
		Luckicon Ready-Mixed Co.	a.	Rental income	1,143	30 days	0.03
		Luckicon Ready-Mixed Co.	a.	Interest income	1,245	30 days	0.03
		Fuyu Development Co., Ltd.	a.	Other receivables	6	About 90 days	-
		Fuyu Development Co., Ltd.	a.	Notes payable	55	About 90 days	-
		Fuyu Development Co., Ltd.	a.	Other payables	412	About 90 days	-
		Fuyu Development Co., Ltd.	a.	Operating cost	1,489	About 90 days	0.04
		Fuyu Development Co., Ltd.	a.	Other income	900	30 days	0.02
		Fuyu Development Co., Ltd.	a.	Rental income	7,313	30 days	0.20
		Luckyship Co.	a.	Other receivables	2	About 90 days	-
		Luckyship Co.	a.	Rental income	207	30 days	0.01
		Dasheng Enterprise	a.	Other receivables - financing	107,600	Financing, the repayment period is one year	1.10
		Dasheng Enterprise	a.	Other receivables	200	About 90 days	-
		Dasheng Enterprise	a.	Rental income	68	30 days	-
		Dasheng Enterprise	a.	Interest income	1,496	30 days	0.04
1	Luckicon Ready-Mixed Co.	Dasheng Enterprise	c.	Sales revenue	286	About 90 days	0.01

Note 1: The flow of transactions is as follows:

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

Note 2: All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

TABLE 8

LUCKY CEMENT CO.

INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Changheng Investment Co.	52,631,034	13.00
East Life Biotech Co.	30,378,008	7.50
Jinli Investment Co.	25,230,451	6.23
Ri Kon Construction Co.	22,658,066	5.59
Yung-Sheng Development Enterprise Co.	22,514,509	5.56
Lucky Construction Co.	22,091,152	5.45

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.