Lucky Cement Co. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 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 June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended June 30, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 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 be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT$41,718 thousand and NT$43,319 thousand, respectively, both representing 0%, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$7,111 thousand and NT$2,464 thousand, respectively, both representing 0% of the consolidated total liabilities; for the three months and the six months ended June 30, 2023 and 2022, the amounts of combined comprehensive loss of these subsidiaries were NT$960 thousand, NT$1,615 thousand, NT$4,467 thousand and NT$2,813 thousand, respectively, representing (1%), (3%), (2%) and (3%), 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 June 30, 2023 and 2022, its consolidated financial performance for the three months ended June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the six months ended June 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

August 11, 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 accepted and 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)

	June 30, 2023		December 31, 2022		June 30, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash (Note 6)	$ 238,566	3	$ 269,974	3	$ 266,474	3
Financial assets at fair value through profit or loss - current (Note 7)	11,378	-	53,622	1	62,000	1
Financial assets at fair value through other comprehensive income - current (Note 8)	135,888	1	123,952	1	150,057	2
Financial assets at amortized cost - current (Notes 9 and 32)	83,984	1	119,254	1	138,589	2
Notes receivable (Notes 10, 24 and 32)	519,466	5	432,925	4	388,163	4
Accounts receivable (Notes 10 and 24)	607,648	6	561,838	6	463,378	5
Accounts receivable from related parties (Notes 24 and 31)	9,054	-	11,724	-	8,034	-
Other receivables (Note 10)	514	-	1,454	-	903	-
Other receivables from related parties (Note 31)	191	-	251	-	129	-
Current tax assets	185	-	185	-	185	-
Inventories (Notes 11 and 32)	4,064,932	42	4,065,041	42	3,701,474	42
Prepayments (Note 13)	241,610	3	253,376	3	275,344	3
Other current assets (Note 14)	25,809	-	26,214	-	24,334	-
Total current assets	5,939,225	61	5,919,810	61	5,479,064	62
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	11,902	-	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)	3,139,767	32	3,023,515	31	2,316,282	26
Right-of-use assets (Note 16)	106,129	1	131,029	2	128,293	2
Deferred tax assets (Note 4)	63,671	1	60,643	1	67,479	1
Refundable deposits	26,786	-	17,821	-	19,183	-
Other non-current assets (Note 17)	259,080	3	320,513	3	574,914	7
Total non-current assets	3,786,530	39	3,742,061	39	3,294,612	38
TOTAL	$ 9,725,755	100	$ 9,661,871	100	$ 8,773,676	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 32)	$ 1,017,855	10	$ 1,478,200	15	$ 1,077,960	12
Short-term bills payable (Notes 18 and 32)	149,649	2	409,296	4	539,547	6
Contract liabilities (Note 24)	558,766	6	549,189	6	539,713	6
Notes payable (Note 19)	298,363	3	239,715	3	197,051	2
Notes payable to related parties (Notes 19 and 31)	62,531	1	26,828	-	25,399	-
Accounts payable (Note 19)	173,031	2	221,143	2	127,922	2
Accounts payable to related parties (Notes 19 and 31)	34,251	-	25,017	-	17,930	-
Other payables (Note 20)	584,326	6	190,841	2	387,569	5
Other payables to related parties (Note 31)	95,064	1	99,444	1	570	-
Current tax liabilities	71,772	1	95,718	1	40,608	1
Lease liabilities - current (Note 16)	40,999	-	50,788	1	45,425	1
Current portion of long-term borrowings (Notes 18 and 32)	50,000	1	100,000	1	625,000	7
Other current liabilities	1,569	-	2,352	-	1,884	-
Total current liabilities	3,138,176	33	3,488,531	36	3,626,578	42
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 18 and 32)	1,576,000	16	1,060,000	11	420,000	5
Deferred tax liabilities (Note 4)	22,725	-	22,422	-	22,874	-
Lease liabilities - non-current (Note 16)	66,223	1	81,668	1	84,033	1
Other payables to related parties (Note 31)	40,000	-	40,000	1	40,000	1
Net defined benefit liabilities (Note 4)	24,162	-	24,421	-	34,432	-
Guarantee deposits received	45,834	1	39,040	-	39,773	-
Total non-current liabilities	1,774,944	18	1,267,551	13	641,112	7
Total liabilities	4,913,120	51	4,756,082	49	4,267,690	49
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)						
Share capital						
Ordinary shares	4,047,380	42	4,047,380	42	4,047,380	46
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	515,808	5	696,224	7	277,166	3
Total retained earnings	904,440	9	949,376	10	530,318	6
Other equity	(139,273)	(2)	(91,055)	(1)	(71,795)	(1)
Total equity attributable to owners of the Company	4,812,565	49	4,905,719	51	4,505,921	51
NON-CONTROLLING INTERESTS	70	-	70	-	65	-
Total equity	4,812,635	49	4,905,789	51	4,505,986	51
TOTAL	$ 9,725,755	100	$ 9,661,871	100	$ 8,773,676	100

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

(With Deloitte & Touche auditors' review report dated August 11, 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 June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 24 and 31)								
Sales	$ 1,324,622	100	$ 1,002,630	100	$ 2,418,286	100	$ 1,884,568	100
Less: Discounts and allowances	(2,514)	-	(650)	-	(3,513)	-	(1,677)	-
Total operating revenue	1,322,108	100	1,001,980	100	2,414,773	100	1,882,891	100
OPERATING COSTS (Notes 11, 25 and 31)	1,049,256	79	778,664	78	1,940,590	80	1,518,167	81
GROSS PROFIT	272,852	21	223,316	22	474,183	20	364,724	19
OPERATING EXPENSES (Notes 10, 25 and 31)								
Selling and marketing expenses	28,916	2	26,700	3	55,504	3	51,744	3
General and administrative expenses	39,620	3	33,923	3	75,207	3	62,882	3
Expected credit loss	10,877	1	210	-	6,585	-	1,866	-
Total operating expenses	79,413	6	60,833	6	137,296	6	116,492	6
OTHER OPERATING INCOME AND EXPENSES (Note 25)	-	-	-	-	1,900	-	(147)	-
PROFIT FROM OPERATIONS	193,439	15	162,483	16	338,787	14	248,085	13
NON-OPERATING INCOME AND EXPENSES (Notes 25 and 31)								
Interest income	1,177	-	484	-	1,823	-	820	-
Other income	4,810	-	6,918	1	15,079	1	9,521	-
Other gains and losses	6,448	1	(13,897)	(1)	21,532	1	(23,138)	(1)
Finance costs	(13,937)	(1)	(9,459)	(1)	(29,088)	(1)	(18,442)	(1)
Total non-operating income and expenses	(1,502)	-	(15,954)	(1)	9,346	1	(31,239)	(2)
PROFIT BEFORE INCOME TAX	191,937	15	146,529	15	348,133	15	216,846	11
INCOME TAX EXPENSE (Notes 4 and 26)	(40,297)	(3)	(29,667)	(3)	(69,279)	(3)	(45,099)	(2)
NET PROFIT FOR THE PERIOD	151,640	12	116,862	12	278,854	12	171,747	9

(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 June 30				For the Six Months Ended June 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 loss on investments in equity instruments at fair value through other comprehensive income	$ (48,220)	(4)	$ (65,297)	(7)	$ (46,952)	(2)	$ (66,726)	(4)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation to the presentation currency	(996)	-	(1,353)	-	(1,266)	-	(1,766)	-
Other comprehensive loss, net of income tax	(49,216)	(4)	(66,650)	(7)	(48,218)	(2)	(68,492)	(4)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 102,424	8	$ 50,212	5	$ 230,636	10	$ 103,255	5
NET PROFIT ATTRIBUTABLE TO:								
Shareholders of the Company	$ 151,640	12	$ 116,862	12	$ 278,854	12	$ 171,747	9
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 151,640	12	$ 116,862	12	$ 278,854	12	$ 171,747	9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Shareholders of the Company	$ 102,424	8	$ 50,212	5	$ 230,636	10	$ 103,255	5
Non-controlling interests	-	-	-	-	-	-	-	-
	$ 102,424	8	$ 50,212	5	$ 230,636	10	$ 103,255	5
EARNINGS PER SHARE (Note 27)								
Basic	$ 0.37		$ 0.29		$ 0.69		$ 0.42	
Diluted	$ 0.37		$ 0.29		$ 0.69		$ 0.42	

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

(With Deloitte & Touche auditors’ review report dated August 11, 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 six months ended June 30, 2022	-	-	-	-	171,747	-	-	171,747	-	171,747
Other comprehensive loss for the six months ended June 30, 2022	-	-	-	-	-	(1,766)	(66,726)	(68,492)	-	(68,492)
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	171,747	(1,766)	(66,726)	103,255	-	103,255
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 23)	-	-	-	-	2,530	-	(2,530)	-	-	-
BALANCE AT JUNE 30, 2022	$ 4,047,380	$ 18	$ 238,244	$ 14,908	$ 277,166	$ 2,602	$ (74,397)	$ 4,505,921	$ 65	$ 4,505,986
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 six months ended June 30, 2023	-	-	-	-	278,854	-	-	278,854	-	278,854
Other comprehensive loss for the six months ended June 30, 2023	-	-	-	-	-	(1,266)	(46,952)	(48,218)	-	(48,218)
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	278,854	(1,266)	(46,952)	230,636	-	230,636
BALANCE AT JUNE 30, 2023	$ 4,047,380	$ 18	$ 297,577	$ 91,055	$ 515,808	$ 2,402	$ (141,675)	$ 4,812,565	$ 70	$ 4,812,635

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

(With Deloitte & Touche auditors’ review report dated August 11, 2023)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 348,133	$ 216,846
Adjustments for:		
Depreciation expense	77,865	75,134
Amortization and depletion expense	8,989	7,394
Expected credit loss recognized on trade receivables	6,585	1,866
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(24,558)	16,609
Finance costs	29,088	18,442
Interest income	(1,823)	(820)
(Gain) loss on disposal of property, plant and equipment	(1,900)	147
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	66,802	(33,677)
Notes receivable	(86,541)	(90,883)
Notes receivable from related parties	-	6,571
Accounts receivable	(52,395)	(46,849)
Accounts receivable from related parties	2,670	(4,784)
Other receivables	980	1,165
Other receivables from related parties	60	118
Inventories	109	(25,002)
Prepayments	11,766	(41,899)
Other current assets	405	4,958
Other non-current assets	446	(1)
Contract liabilities	9,577	348,924
Notes payable	58,648	(17,692)
Notes payable to related parties	35,703	(17,749)
Accounts payable	(48,112)	4,552
Accounts payable to related parties	9,234	15,884
Other payables	44,466	5,834
Other payables to related parties	(725)	(1,941)
Other current liabilities	(783)	347
Net defined benefit liabilities	(259)	(313)
Cash generated from operations	494,430	443,181
Interest received	1,783	741
Interest paid	(34,642)	(17,934)
Income tax paid	(95,950)	(15,359)
Net cash generated from operating activities	365,621	410,629

(Continued)

LUCKY CEMENT CO. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	**2022**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income (Note 28)	$ (25,769)	$ (165,636)
Proceeds from sale of financial assets at fair value through other comprehensive income (Note 28)	-	24,518
Decrease (increase) in financial assets at amortized cost	35,220	(3,455)
Acquisition of property, plant and equipment (Note 28)	(122,442)	(473,633)
Proceeds from disposal of property, plant and equipment (Note 28)	1,900	2,500
Increase in refundable deposits	(8,965)	(756)
Increase in other non-current assets	(127)	(14,537)
Net cash used in investing activities	(120,183)	(630,999)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	149,601
Decrease in short-term borrowings	(460,345)	-
Increase in short-term bills payable	-	135,000
Decrease in short-term bills payable	(260,000)	-
Proceeds from long-term borrowings	576,000	300,000
Repayments of long-term borrowings	(110,000)	(289,000)
Increase in guarantee deposits received	6,794	5,763
Decrease in other payables to related parties	-	(5,800)
Repayment of the principal portion of lease liabilities	(28,339)	(27,623)
Net cash (used in) generated from financing activities	(275,890)	267,941
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(956)	(1,335)
NET (DECREASE) INCREASE IN CASH	(31,408)	46,236
CASH AT THE BEGINNING OF THE PERIOD	269,974	220,238
CASH AT THE END OF THE PERIOD	$ 238,566	$ 266,474

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

(With Deloitte & Touche auditors' review report dated August 11, 2023) (Concluded)

LUCKY CEMENT CO. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(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 August 11, 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 in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	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
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
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 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
Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"	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 requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

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 SIGNIFICANT ACCOUNTING POLICIES

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 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 significant 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) Taxation

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. CRITICAL 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

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand and revolving funds	$ 1,337	$ 1,359	$ 1,333
Checking accounts and demand deposits	236,450	265,216	264,082
Foreign currency demand deposits	779	3,399	1,059
	$ 238,566	$ 269,974	$ 266,474

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Financial assets mandatorily classified as at FVTPL - mutual funds	$ 11,378	$ 53,622	$ 62,000

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Domestic investments - listed shares	$ 135,888	$ 123,952	$ 150,057
Non-current			
Domestic investments - unlisted shares	$ 11,902	$ 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 six months ended June 30, 2022, the Group disposed of partial common stock at fair value of $23,894 thousand, and related other equity - unrealized valuation gains on financial assets at fair value through other comprehensive income of $2,530 thousand were transferred to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Time deposits with original maturities of more than 3 months (a)	$ 26,274	$ 26,434	$ 32,409
Restricted assets (b)	57,710	92,820	106,180
	$ 83,984	$ 119,254	$ 138,589
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 0.81%-2.32% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

b. The restricted assets - current are savings deposits and certificate of deposit that are provided as guarantees for bank loan and construction contract; market interest rate ranges were approximately 0.45%-1.57%, 0.20%-1.44% and 0.07%-0.81% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

c. The restricted assets - non-current are certificate of deposit in the bank that is pledged as the security of mining right, which has market interest rate range of approximately 0.50%-1.58%, 0.50%-1.44% and 0.10%-1.045% per annum as of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

d. Please 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

	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivable			
At amortized cost			
Gross carrying amount	$ 519,466	$ 432,925	$ 388,163

(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
Trade receivables			
At amortized cost			
Gross carrying amount	$ 634,806	$ 583,777	$ 484,187
Less: Allowance for impairment loss	(27,158)	(21,939)	(20,809)
	$ 607,648	$ 561,838	$ 463,378
Other receivables			
Others	$ 514	$ 1,454	$ 903
Overdue receivables			
Overdue	$ 31,065	$ 29,699	$ 28,743
Less: Allowance for impairment loss	(31,065)	(29,699)	(28,743)
	$ -	$ -	$ -

(Concluded)

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.

June 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	$ 572,598	$ 12,663	$ 3,595	$ 36,684	$ 2,313	$ 38,018	$ 665,871
Loss allowance (Lifetime ECLs)	(1,313)	(855)	(438)	(15,286)	(2,313)	(38,018)	(58,223)
Amortized cost	$ 571,285	$ 11,808	$ 3,157	$ 21,398	$ -	$ -	$ 607,648

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

June 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	$ 450,724	$ 12,931	$ 1,944	$ 2,771	$ 8,863	$ 35,697	$ 512,930
Loss allowance (Lifetime ECLs)	(2,365)	(1,151)	(302)	(1,174)	(8,863)	(35,697)	(49,552)
Amortized cost	$ 448,359	$ 11,780	$ 1,642	$ 1,597	$ -	$ -	$ 463,378

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

	For the Six Months Ended June 30	
	2023	**2022**
Balance at January 1	$ 51,638	$ 47,686
Add: Net remeasurement of loss allowance	6,585	1,866
Balance at June 30	$ 58,223	$ 49,552

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

11. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Real estate under development and real estate to be developed	$ 3,442,636	$ 3,429,158	$ 3,202,905
Raw materials	262,506	319,842	197,922
Finished goods	157,277	115,900	161,928
Work in progress	40,831	94,460	44,951
Supplies and spare parts	155,094	99,255	87,610
Merchandise	6,588	6,426	6,158
	$ 4,064,932	$ 4,065,041	$ 3,701,474

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

	For the Three Months Ended June 30		For the six Months Ended June 30	
	2023	2022	2023	2022
Cost of inventories sold	$ 1,049,256	$ 778,664	$ 1,940,590	$ 1,518,167

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	June 30, 2023	December 31, 2022	June 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 sales 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 June 30, 2023 and 2022, except for the Luckicon Ready-mixed Co., Dasheng Enterprise and Fuyu Development Co., Ltd., the financial statements of the rest of the non-significant subsidiaries which had been included in the consolidated financial statements were not reviewed. As of June 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT$41,718 thousand and NT$43,319 thousand, respectively, both representing 0%, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$7,111 thousand and NT$2,464 thousand, respectively, both representing 0% of the consolidated total liabilities; for the three months and the six months ended June 30, 2023 and 2022, the amounts of combined comprehensive loss of these subsidiaries were NT$960 thousand, NT$1,615 thousand, NT$4,467 thousand and NT$2,813 thousand, respectively, representing (1%), (3%), (2%) and (3%), respectively.

13. PREPAYMENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Prepaid land	$ 119,595	$ 119,595	$ 119,595
Prepaid expenses	98,959	72,009	74,573
Prepaid purchase materials	20,510	28,845	13,515
Office supplies	1,333	32,264	66,548
Other	1,213	663	1,113
	$ 241,610	$ 253,376	$ 275,344

On November 29, 2021, Dasheng Enterprise acquired land from the unrelated party for the total contract price of $128,092 thousand. As of June 30, 2023, the Company paid $119,595 thousand, which had been recognized in prepayment for the land.

14. OTHER CURRENT ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
Offset against business tax payable	$ 25,800	$ 26,212	$ 24,327
Others	9	2	7
	$ 25,809	$ 26,214	$ 24,334

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	-	131,670	-	15,255	5,777	166,422
Disposals	-	-	-	-	(5,703)	-	(5,703)
Net exchange difference	-	(5,483)	(720)	-	(19)	(28)	(6,250)
Balance at June 30, 2023	2,348,174	2,204,284	5,729,547	1,106,961	944,619	367,855	12,701,440
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	-	20,050	7,924	1,616	15,115	5,155	49,860
Disposals	-	-	-	-	(5,703)	-	(5,703)
Net exchange difference	-	(5,291)	(603)	-	(19)	(27)	(5,940)
Balance at June 30, 2023	-	1,982,707	5,522,685	1,103,052	603,100	350,129	9,561,673
Carrying amounts at June 30, 2023	$ 2,348,174	$ 221,577	$ 206,862	$ 3,909	$ 341,519	$ 17,726	$ 3,139,767
Carrying amount 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	-	-	8,592	-	55,372	972	64,936
Disposals	-	-	(193)	-	(24,227)	-	(24,420)
Net exchange difference	-	(7,026)	(919)	-	(24)	(35)	(8,004)
Balance at June 30, 2022	1,652,873	2,204,861	5,598,602	1,106,961	893,914	363,687	11,820,898

(Continued)

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Total
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	-	20,529	8,778	1,729	11,927	4,647	47,610
Disposals	-	-	(193)	-	(21,580)	-	(21,773)
Net exchange difference	-	(6,748)	(766)	-	(24)	(35)	(7,573)
Balance at June 30, 2022	-	1,943,288	5,506,218	1,099,820	608,269	347,021	9,504,616
Carrying amounts at June 30, 2022	$ 1,652,873	$ 261,573	$ 92,384	$ 7,141	$ 285,645	$ 16,666	$ 2,316,282

(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
Office equipment	3-10 years

c. There were no impairment losses of assets for the six months ended June 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

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts			
Land	$ 24,578	$ 27,898	$ 7,176
Buildings	81,053	103,083	120,785
Transportation equipment	498	48	332
	$ 106,129	$ 131,029	$ 128,293

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Additions to right-of-use assets			$ 3,105	$ 229
Depreciation charge for right-of-use assets				
Land	$ 2,966	$ 2,769	$ 5,797	$ 5,533
Buildings	11,015	10,853	22,030	21,706
Transportation equipment	78	142	178	285
	$ 14,059	$ 13,764	$ 28,005	$ 27,524

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 six months ended June 30, 2023 and 2022.

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts			
Current	$ 40,999	$ 50,788	$ 45,425
Non-current	$ 66,223	$ 81,668	$ 84,033

Range of discount rate for lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 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 June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	$ 816	$ 745	$ 1,882	$ 1,675
Expenses relating to low-value asset leases	160	93	311	186
Interest on lease liabilities	443	514	931	1,084
Principal portion of lease liabilities	14,444	13,652	28,339	27,623
Total cash outflow for leases	$ 15,863	$ 15,004	$ 31,463	$ 30,568

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

	June 30, 2023	December 31, 2022	June 30, 2022
Prepayments for the equipment	$ 185,610	$ 237,735	$ 75,732
Long-term prepaid expenses	35,831	44,692	54,097
Prepayments for investment property	18,874	18,874	425,871
Net limestone mining rights	18,765	18,766	18,767
Net defined benefit assets (Note 4)	-	446	447
	$ 259,080	$ 320,513	$ 574,914

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

	June 30, 2023	December 31, 2022	June 30, 2022
Secured borrowings (Note 32)			
Bank loans	$ 576,000	$ 1,093,200	$ 689,100
Unsecured borrowings			
Line of credit borrowings	441,855	385,000	388,860
	$ 1,017,855	$ 1,478,200	$ 1,077,960

The interest rates of the bank loans were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Secured borrowings	1.90%-2.88%	1.75%-2.60%	1.35%-1.97%
Unsecured borrowings	1.60%-2.18%	1.85%-2.17%	1.43%-2.53%

b. Short-term bills payable

	June 30, 2023	December 31, 2022	June 30, 2022
Commercial paper (Note 32)	$ 150,000	$ 410,000	$ 540,000
Less: Unamortized discounts on bills payable	(351)	(704)	(453)
	$ 149,649	$ 409,296	$ 539,547

June 30, 2023

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 50,000	$ 139	$ 49,861	2.11%
Dah Chung Bills Finance Corporation	50,000	106	49,894	2.04%
China Bills Finance Corporation	50,000	106	49,894	2.04%
	$ 150,000	$ 351	$ 149,649	

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	

June 30, 2022

Guarantee/Promissory Institution	Par Value	Discounted Amount	Carrying Amount	Interest Rate
Commercial paper				
Ta Ching Bills Finance Corporation	$ 130,000	$ 64	$ 129,936	1.30%-1.75%
China Bills Finance Corporation	200,000	157	199,843	1.29%-1.35%
Dah Chung Bills Finance Corporation	100,000	186	99,814	1.29%-1.40%
Grand Bills Finance Corporation	110,000	46	109,954	1.29%-1.75%
	$ 540,000	$ 453	$ 539,547	

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

	June 30, 2023	December 31, 2022	June 30, 2022
Secured borrowings (Note 32)			
Bank loans	$ 1,626,000	$ 1,060,000	$ 945,000
Unsecured borrowings			
Loans from bank	-	100,000	100,000
Less: Current portion	(50,000)	(100,000)	(625,000)
Long-term borrowings	$ 1,576,000	$ 1,060,000	$ 420,000

	Method of Repayment	June 30, 2023	December 31, 2022	June 30, 2022
Secured borrowings				
Taiwan Cooperative Bank	The borrowing period at March 31, 2022 is from September 14, 2018 to April 12, 2023. In addition, the Group signed a new contract of $600 million in 2022 and repay the old contract of $420 million. The loan period is from October 5, 2022 to January 12, 2027. 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	$ 420,000
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	-

(Continued)

	Method of Repayment	June 30, 2023	December 31, 2022	June 30, 2022
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
Bank of Taiwan	The loan period is from November 12, 2019 to November 12, 2022. In addition, $25 million was repaid in August 2022.	-	-	25,000
Unsecured borrowings				
The Export-Import Bank of the Republic of China	The loan period is from August 5, 2022 to September 5, 2023; the principal will be repaid one time on maturity date. In addition, the principal was repaid early in May 2023.	-	100,000	-
KGI Bank	Revolving loan; credit period is from September 7, 2020 to September 7, 2022.	-	-	100,000
		1,626,000	1,160,000	1,045,000
Less: Current portion		(50,000)	(100,000)	(625,000)
Long-term borrowings		$ 1,576,000	$ 1,060,000	$ 420,000

(Concluded)

The annual interest rates of long-term borrowings were 2.21%-3.06%, 2.13%-3.06% and 1.49%-2.13% as of June 30, 2023, December 31, 2022 and June 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

	June 30, 2023	December 31, 2022	June 30, 2022
Notes payable			
From operating activities			
Non-related parties	$ 298,363	$ 239,715	$ 197,051
Related parties	$ 62,531	$ 26,828	$ 25,399
Trade payables			
From operating activities			
Non-related parties	$ 173,031	$ 221,143	$ 127,922
Related parties	$ 34,251	$ 25,017	$ 17,930

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

	June 30, 2023	December 31, 2022	June 30, 2022
Payables for dividends (Note 23)	$ 323,790	$ -	$ 242,843
Payables for salaries and bonuses	127,639	117,225	81,656
Payables for acquisition of securities	35,626	-	-
Payables for taxes	28,354	9,153	18,910
Payables for utilities expense	24,266	11,293	16,471
Payables for purchases of equipment	4,165	14,348	-
Others	40,486	38,822	27,689
	$ 584,326	$ 190,841	$ 387,569

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 June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Operating costs	$ 125	$ 121	$ 251	$ 250
Selling and marketing expenses	29	26	56	53
General and administrative expenses	53	50	107	103
	$ 207	$ 197	$ 414	$ 406

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:

June 30, 2023

	Within 1 Year	More Than 1 Year	Total
Assets			
Financial assets at amortized cost	$ 31,820	$ -	$ 31,820
Inventories	-	3,442,635	3,442,635
Prepayment for land purchases	-	119,595	119,595
	$ 31,820	$ 3,562,230	$ 3,594,050
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

June 30, 2022

	Within 1 Year	More Than 1 Year	Total
Assets			
Financial assets at amortized cost	$ 25,680	$ -	$ 25,680
Inventories	-	3,202,905	3,202,905
Prepayment for land purchases	-	119,595	119,595
	$ 25,680	$ 3,322,500	$ 3,348,180
Liabilities			
Contract liabilities	$ -	$ 262,042	$ 262,042

23. EQUITY

a. Share capital

Ordinary shares

	June 30, 2023	December 31, 2022	June 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

	June 30, 2023	December 31, 2022	June 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, 2022 and November 12, 2021, the Company's board of directors adopted the results of operations for the first half of 2022 and 2021, 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 meeting on June 30, 2023 and June 30, 2022, respectively.

d. Special reserve

	For the Six Months Ended June 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 June 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 Six Months Ended June 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	(1,266)	(1,766)
Balance at June 30	$ 2,402	$ 2,602

2) Unrealized valuation loss on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2023	2022
Balance at January 1	$ (94,723)	$ (5,141)
Recognized for the period		
Unrealized loss - equity instruments	(46,952)	(66,726)
Other comprehensive loss recognized for the year	(46,952)	(66,726)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(2,530)
Balance at June 30	$ (141,675)	$ (74,397)

24. REVENUE

a. Segmentation of customer's contract revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Cement	$ 580,428	$ 454,787	$ 1,065,456	$ 869,910
Cement products	450,433	328,647	824,384	595,773
Stone materials	143,899	113,488	263,604	221,794
Others	147,348	105,058	261,329	195,414
	$ 1,322,108	$ 1,001,980	$ 2,414,773	$ 1,882,891

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

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Notes receivable (Note 10)	$ 519,466	$ 432,925	$ 388,163	$ 297,280
Notes receivable from related parties	$ -	$ -	$ -	$ 6,571
Trade receivables (Note 10)	$ 607,648	$ 561,838	$ 463,378	$ 418,395
Trade receivables from related parties	$ 9,054	$ 11,724	$ 8,034	$ 3,250
Contract liabilities				
Cement sales	$ 291,078	$ 283,936	$ 275,143	$ 189,789
Real estate sales	262,042	262,042	262,042	-
Others	5,646	3,211	2,528	1,000
	$ 558,766	$ 549,189	$ 539,713	$ 190,789

25. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Gain (loss) on disposal of property, plant and equipment	$ -	$ -	$ 1,900	$ (147)

b. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Bank deposits	$ 1,177	$ 484	$ 1,823	$ 820

c. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Rental income	$ 2,158	$ 2,158	$ 4,317	$ 4,317
Others	2,652	4,760	10,762	5,204
	$ 4,810	$ 6,918	$ 15,079	$ 9,521

d. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Net loss on foreign currency exchange	$ (297)	$ (856)	$ (362)	$ (3,872)
Net gain (loss) on fair value changes of financial assets at fair value through profit or loss	7,913	(11,912)	24,558	(16,609)
Depreciation of leased assets	(572)	(512)	(1,145)	(1,025)
Others	(596)	(617)	(1,519)	(1,632)
	$ 6,448	$ (13,897)	$ 21,532	$ (23,138)

e. Financial costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Bank loan	$ 13,118	$ 8,945	$ 27,451	$ 17,358
Interest on lease liabilities	443	514	931	1,084
Interest on loans from related parties	363	-	693	-
Others	13	-	13	-
	$ 13,937	$ 9,459	$ 29,088	$ 18,442

Information about interest capitalization is as follows:

	For the Six Months Ended June 30	
	2023	2022
Amount of interest capitalized	$ 5,709	$ -
Interest capitalized rate	1.99%-2.16%	-

f. Depreciation, amortization and depletion

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Property, plant and equipment	$ 24,950	$ 24,103	$ 49,860	$ 47,610
Right-of-use assets	14,059	13,764	28,005	27,524
Long-term prepaid expenses	4,335	3,389	8,988	7,393
Limestone mining rights	1	-	1	1
	$ 43,345	$ 41,256	$ 86,854	$ 82,528
An analysis of depreciation by function				
Operating costs	$ 27,616	$ 26,647	$ 55,010	$ 52,697
Operating expenses	10,821	10,708	21,710	21,412
Non-operating expenses	572	512	1,145	1,025
	$ 39,009	$ 37,867	$ 77,865	$ 75,134
An analysis of amortization by function				
Operating costs	$ 3,969	$ 2,725	$ 8,256	$ 5,951
Operating expenses	366	664	732	1,442
	$ 4,335	$ 3,389	$ 8,988	$ 7,393
An analysis of depletion by function				
Operating costs	$ 1	$ -	$ 1	$ 1

g. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Post-employment benefits				
Defined contribution plan	$ 3,429	$ 3,147	$ 6,826	$ 6,269
Defined benefit plans (Note 21)	207	197	414	406
	3,636	3,344	7,240	6,675
Other employee benefits	105,087	100,761	205,181	179,457
Total employee benefits expense	$ 108,723	$ 104,105	$ 212,421	$ 186,132
An analysis of employee benefits expense by function				
Operating costs	$ 69,063	$ 63,937	$ 134,902	$ 121,102
Operating expenses	39,660	40,168	77,519	65,030
	$ 108,723	$ 104,105	$ 212,421	$ 186,132

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 six months ended June 30, 2023 and 2022 are as follows:

Accrual rate

	For the Six Months Ended June 30	
	2023	2022
Compensation of employees	3%	3%
Remuneration of directors	5%	5%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Compensation of employees	$ 5,932	$ 4,536	$ 10,731	$ 6,678
Remuneration of directors	9,886	7,561	17,884	11,131

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. Losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Foreign exchange gains	$ (50)	$ 363	$ 15	$ 853
Foreign exchange losses	(247)	(1,219)	(377)	(4,725)
	$ (297)	$ (856)	$ (362)	$ (3,872)

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 June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Current tax				
In respect of the current year	$ 40,985	$ 35,498	$ 69,578	$ 40,668
Income tax on unappropriated earnings	2,534	-	2,534	-
Adjustments for prior year	(108)	(2,444)	(108)	(2,363)
	43,411	33,054	72,004	38,305
Deferred tax				
In respect of the current year	(3,114)	(3,387)	(2,725)	6,794
Income tax expense recognized in profit or loss	$ 40,297	$ 29,667	$ 69,279	$ 45,099

b. Income tax assessments

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

The income tax returns through 2020 of the Company, 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 June 30		For the Six Months Ended June 30	
	2023	**2022**	**2023**	**2022**
Profit for the period attributable to owners of the Company	$ 151,640	$ 116,862	$ 278,854	$ 171,747
Earnings used in the computation of earnings per share	$ 151,640	$ 116,862	$ 278,854	$ 171,747

Earnings Per Share

(In Thousands of Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 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	631	624	1,289	1,043
Weighted average number of ordinary shares used in the computation of diluted earnings per share	405,369	405,362	406,027	405,781

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 six months ended June 30, 2023 and 2022:

	For the Six Months Ended June 30	
	2023	2022
Partial cash payments for acquisition of financial assets at FVTOCI		
Acquisition of financial assets at fair value through other comprehensive income	$ 61,395	$ 165,636
Net changes in payables for acquisition of securities	(35,626)	-
Cash paid	$ 25,769	$ 165,636
Partial cash generated from disposal of financial assets at FVTOCI		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ -	$ 23,894
Net changes in receivables from sale of securities (reported as other receivables)	-	624
Cash received	$ -	$ 24,518
Partial cash payments for purchase of PP&E		
Acquisition of property, plant and equipment	$ 166,422	$ 64,936
Net changes in prepayments for equipment	(57,834)	1,700
Net changes in prepayments for premises	-	406,997
Net changes in other payables to related parties	3,671	-
Net changes in payables for purchase of equipment	10,183	-
Cash paid	$ 122,442	$ 473,633

b. Changes in liabilities arising from financing activities

For the six months ended June 30, 2023

	Balance at January 1, 2023	Cash Flows	Non-cash Changes			Balance at June 30, 2023
			New Lease	Discount Amortization	Others	
Short-term borrowings	$ 1,478,200	$ (460,345)	$ -	$ -	$ -	$ 1,017,855
Short-term bills payable	409,296	(260,000)	-	353	-	149,649
Long-term borrowings	1,160,000	466,000	-	-	-	1,626,000
Guarantee deposits received	39,040	6,794	-	-	-	45,834
Lease liabilities	132,456	(28,339)	3,105	-	-	107,222
	$ 3,218,992	$ (275,890)	$ 3,105	$ 353	$ -	$ 2,946,560

For the six months ended June 30, 2022

	Balance at January 1, 2022	Cash Flows	Non-cash Changes: New Lease	Non-cash Changes: Discount Amortization	Others	Balance at June 30, 2022
Short-term borrowings	$ 928,359	$ 149,601	$ -	$ -	$ -	$ 1,077,960
Short-term bills payable	404,424	135,000	-	123	-	539,547
Long-term borrowings	1,034,000	11,000	-	-	-	1,045,000
Other payables to related parties	48,311	(5,800)	-	-	(1,941)	40,570
Guarantee deposits received	34,010	5,763	-	-	-	39,773
Lease liabilities	156,852	(27,623)	229	-	-	129,458
	$ 2,605,956	$ 267,941	$ 229	$ 123	$ (1,941)	$ 2,872,308

29. CAPITAL MANAGEMENT

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

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

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

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

30. FINANCIAL INSTRUMENTS

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

There is no significant difference between the carrying 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

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 11,378	$ -	$ -	$ 11,378

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 135,888	$ -	$ -	$ 135,888
Unlisted shares	-	-	11,902	11,902
	$ 135,888	$ -	$ 11,902	$ 147,790

(Concluded)

December 31, 2022

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

June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 62,000	$ -	$ -	$ 62,000
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 150,057	$ -	$ -	$ 150,057
Unlisted shares	-	-	9,316	9,316
	$ 150,057	$ -	$ 9,316	$ 159,373

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

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

For the six months ended June 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)	321
Additions	2,186
Balance at June 30, 2023	$ 11,902

For the six months ended June 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 June 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

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ 11,378	$ 53,662	$ 62,000
Financial assets at amortized cost (1)	1,665,404	1,594,386	1,463,998
Financial assets at FVTOCI			
Equity instruments	147,790	133,347	159,373
Financial liabilities			
Amortized cost (2)	3,647,121	3,803,146	3,155,312

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

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables (excluding dividends, 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.

Sensitivity analysis

The Group is mainly exposed to the USD and RMB.

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

	USD Impact		**RMB Impact**	
	For the Six Months Ended June 30		**For the Six Months Ended June 30**	
	2023	**2022**	**2023**	**2022**
Profit or loss	$ (42)	$ 2,399	$ (369)	$ (300)

The above analysis included cash in banks, financial assets at amortized cost and bank borrowings 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:

	June 30, 2023	**December 31, 2022**	**June 30, 2022**
Cash flow interest rate risk			
Financial assets	$ 478,097	$ 528,200	$ 521,321
Financial liabilities	2,886,804	3,140,796	2,662,507

<u>Sensitivity analysis</u>

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 six months ended June 30, 2023 and 2022 would have decreased/increased by $3,011 thousand and $2,676 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.

June 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	$ 251,407	$ 405,775	$ 41,138	$ 7,396	$ 54,600
Lease liabilities	9,066	5,292	27,944	67,338	-
Variable interest rate liabilities	73,200	816,650	420,955	1,576,000	-
	$ 333,673	$ 1,227,717	$ 490,037	$ 1,650,734	$ 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

June 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	$ 232,480	$ 170,868	$ 29,598	$ 4,459	$ 55,400
Lease liabilities	9,298	5,138	32,689	86,030	-
Variable interest rate liabilities	843,789	689,858	708,860	420,000	-
	$ 1,085,567	$ 865,864	$ 771,147	$ 510,489	$ 55,400

b) Financing facilities

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured facilities			
Amount used	$ 622,024	$ 915,452	$ 1,029,737
Amount unused	990,566	448,268	68,653
	$ 1,612,590	$ 1,363,720	$ 1,098,390
Secured facilities			
Amount used	$ 2,202,000	$ 2,153,200	$ 1,824,100
Amount unused	1,317,338	666,800	844,256
	$ 3,519,338	$ 2,820,000	$ 2,668,356

31. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties

Related Party Name	Related Party Category
Other related party	
Yung-Sheng Development Enterprise Co., Ltd. ("Yung-Sheng Development")	The chairman is also the chairman of the Company
Liang-Chuan Cultural and Educational Foundation ("Liang-Chuan Foundation")	The chairman is also the chairman of the Company
Fudong Freight Co., Ltd. ("Fudong Freight")	The chairman is first-degree relative of the chairman of the Company
East Life Biotech Co., Ltd. ("East Life Biotech")	The chairman is also the chairman of the Company
Jia Fu Entertainment Co., Ltd. ("Jia Fu Entertainment")	The chairman is first-degree relative of the chairman of the Company
Wantong Property Insurance 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

b. Business transactions

Line Item	Related Party Category/Name	For the Three Months Ended June 30 2023	For the Three Months Ended June 30 2022	For the Six Months Ended June 30 2023	For the Six Months Ended June 30 2022
Sales	Other related parties	$ 23,640	$ 20,038	$ 44,931	$ 37,669
Purchases of goods	Fuan Mining	$ 83,975	$ 32,634	$ 156,584	$ 61,334
	Other related parties	10,288	10,051	19,621	15,826
		$ 94,263	$ 42,685	$ 176,205	$ 77,160
Operating costs - transportation expenses	Other related parties	$ 3,325	$ 2,261	$ 6,344	$ 4,608
Operating costs - manufacturing expenses	Other related parties	$ -	$ 6	$ 3	$ 99
Operating expense	Other related parties	$ 113	$ 110	$ 652	$ 1,018

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	June 30, 2023	December 31, 2022	June 30, 2022
Trade receivables	Fuan Mining	$ 8,277	$ 11,143	$ 8,034
	Yung-Sheng Development	777	581	-
		$ 9,054	$ 11,724	$ 8,034
Other receivables	Jia Fu Entertainment	$ 184	$ 241	$ -
	Other related parties	7	10	129
		$ 191	$ 251	$ 129

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

d. Payables to related parties

Line Items	Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
Notes payable (excluding loan from related parties)	Fuan Mining	$ 58,140	$ 21,605	$ 21,141
	Fudong Freight	4,355	5,202	4,258
	Other related parties	36	21	-
		$ 62,531	$ 26,828	$ 25,399
Trade payables	Fuan Mining	$ 30,034	$ 18,147	$ 13,124
	Fudong Freight	4,217	6,870	4,806
		$ 34,251	$ 25,017	$ 17,930
Other payables - current (excluding loan from related parties)	Fudong Freight	$ 1,644	$ 525	$ 560
	Ri Kon Construction	-	3,671	-
	Other related parties	-	1,844	10
		$ 1,644	$ 6,040	$ 570

The outstanding trade payables to related parties are unsecured.

e. Loan from related parties

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

Financial cost

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Other related parties	$ 363	$ -	$ 693	$ -

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	June 30, 2023	December 31, 2022	June 30, 2022
Fudong Freight	$ 3,008	$ 3,164	$ 3,528
Other related parties	72	144	216
	$ 3,080	$ 3,308	$ 3,744

Lease income was as follows:

Related Party Category/Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Fudong Freight	$ 336	$ 336	$ 672	$ 672
Other related parties	36	36	72	72
	$ 372	$ 372	$ 744	$ 744

The rental amounts and collection methods are negotiated.

g. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2023	2022	2023	2022
Short-term employee benefits	$ 14,529	$ 12,605	$ 31,028	$ 24,013
Post-employment benefits	106	125	233	250
	$ 14,635	$ 12,730	$ 31,261	$ 24,263

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:

	June 30, 2023	December 31, 2022	June 30, 2022
Property under development (reported as inventories)	$ 3,382,734	$ 3,369,256	$ 3,143,003
Property, plant and equipment	1,951,295	894,079	897,942
Restricted assets (reported as financial assets at amortized cost)	236,905	271,965	285,325
Notes receivable	10,911	-	2,050
	$ 5,581,845	$ 4,535,300	$ 4,328,320

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

a. As of June 30, 2023, the Group signed a contract for purchase of property, plant and equipment; the unpaid amount is $214,270 thousand.

b. As of June 30, 2023, December 31, 2022 and June 30, 2022, unused letters of credit for purchases of raw materials amounted to approximately $30,169 thousand, $20,452 thousand and $190,877 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 June 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)

June 30, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 27	31.14 (USD:NTD)	$ 844
RMB	1,722	4.2820 (RMB:NTD)	7,374

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

June 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 37	29.72 (USD:NTD)	$ 1,091
RMB	1,352	4.439 (RMB:NTD)	6,001

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary item			
USD	$ 1,651	29.72 (USD:NTD)	$ 49,080

(Concluded)

Foreign exchange losses (realized or unrealized) of the Group for the three months and the six months ended June 30, 2023 and 2022 are respectively losses of $297 thousand, $856 thousand, $362 thousand, and $3,872 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:

	Income of Segments For the Six Months Ended June 30		Profit/Loss of Segments For the Six Months Ended June 30	
	2023	**2022**	**2023**	**2022**
Cement segment	$ 2,414,716	$ 1,882,834	$ 343,952	$ 247,911
Other segments	57	57	(5,165)	174
Total from operations	$ 2,414,773	$ 1,882,891	338,787	248,085
Interest income			1,823	820
Other income			15,079	9,521
Other gains and losses			21,532	(23,138)
Financial cost			(29,088)	(18,442)
Profit before income tax			$ 348,133	$ 216,846

The segment revenue reported above was all generated from transactions with external customers. There were no inter-segment sales for the six months ended June 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

	June 30, 2023	December 31, 2022	June 30, 2022
Segment assets			
Operating segment			
Cement segment	$ 6,076,779	$ 6,027,362	$ 5,369,515
Other segments	3,648,976	3,634,509	3,404,161
Total assets	$ 9,725,755	$ 9,661,871	$ 8,773,676
Segment liabilities			
Operating segment			
Cement segment	$ 4,047,762	$ 3,894,036	$ 3,371,383
Other segments	865,358	862,046	896,307
Total liabilities	$ 4,913,120	$ 4,756,082	$ 4,267,690

LUCKY CEMENT CO. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars)

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	$ 100,700	2.1089	b.	$ -	Operating turnover	$ -	-	-	$ 481,257	$ 1,925,026
		Luckicon Ready-mixed Co.	Other receivables from related parties	300,000	Yes	-	-	-		-	Operating turnover	-	-	-	481,257	1,925,026
						$ 200,000										

Note 1: The nature of financing is as follows:

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

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

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

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

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

LUCKY CEMENT CO. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 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	$ 1,925,026	$ 580,000	$ 580,000	$ 460,000	$ -	12.05	$ 2,406,283	Y	-	-	
		Luckicon Ready-mixed Co.	Subsidiary	1,925,026	1,250,000	1,120,000	716,000	-	23.27	2,406,283	Y	-	-	
		Lucky Cement Japan	Subsidiary	1,925,026	11,545	10,750	3,655	-	0.22	2,406,283	Y	-	-	
						$ 1,710,750								

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
JUNE 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	June 30, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Notes 1 and 2)	
Lucky Cement Co.	Mutual fund							
	Yuanta Global Leaders Balanced Fund	-	Financial assets at FVTPL - current	925,926	$ 10,528	-	$ 10,528	
	O-Bank No.1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	100,000	850	-	850	
	Non-listed common stock							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	1,494,708	11,524	10.58	11,524	
	Listed common stock							
	Evergreen Marine Corporation (Taiwan) Ltd.	-	Financial assets at FVTOCI - current	760,000	71,060	0.04	71,060	
	Yang Ming Marine Transport Corp.	-	Financial assets at FVTOCI - current	400,000	25,200	0.01	25,200	
	Taiwan Cement Corporation	-	Financial assets at FVTOCI - current	335,640	12,771	-	12,771	
	Far Eastern New Century Corporation	-	Financial assets at FVTOCI - current	200,000	6,690	-	6,690	
	Asia Cement Corporation	-	Financial assets at FVTOCI - current	165,000	7,326	-	7,326	
	Winbond Electronics Corporation	-	Financial assets at FVTOCI - current	130,181	3,574	-	3,574	
	U-Ming Marine Transport Corporation	-	Financial assets at FVTOCI - current	78,000	3,689	0.01	3,689	
	United Microelectronics Corporation	-	Financial assets at FVTOCI - current	72,351	3,509	-	3,509	
	Medigen Biotechnology Corp.	-	Financial assets at FVTOCI - current	28,628	950	0.02	950	
	Sanitar Co., Ltd.	-	Financial assets at FVTOCI - current	24,000	902	0.03	902	
	China Development Financial Holding Corporation	-	Financial assets at FVTOCI - current	13,496	167	-	167	
	First Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	944	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	11	-	11	
Luckyship Co.	Non-listed common stock							
	Jonfeng Mining Co., Ltd.	-	Financial assets at FVTOCI - non-current	49,007	378	0.35	378	

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

Note 2: Financial assets at FVTOCI: Fair value of listed shares is based on their closing price on June 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 AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 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	$ (269,063)	(14.87)	About 90 days	Quote	Quote	Accounts receivable $ 58,361	8.77	Note 2
									Notes receivable 53,587	8.05	Note 2
	Fuan Mining	Other related parties	Purchase	156,584	21.76	About 90 days	Bargain	Quote	Accounts payable (30,034)	(8.22)	
									Notes payable (58,140)	(15.91)	

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
JUNE 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	$ 111,948	5.32	$ -	-	$ 70,281	$ -

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

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE SIX MONTHS ENDED JUNE 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 June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 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	157,295,883	99.99	$ 2,663,408	$ (10,180)	$ (10,180)	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	47,000,000	100.00	822,139	76,157	76,188 (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	15,349	(984)	(984)	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	19,256	(3,492)	(3,493) (Note 5)	Note 2
Luckicon Ready-mixed Co.	Fuyu Development	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	2,418	(2,955)	(2,955)	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 $31 thousand.

Note 5: The difference is transactions unrealized gain of $1 thousand.

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

TABLE 7

LUCKY CEMENT CO. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 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.	Notes receivable	$ 53,587	About 90 days	0.55
		〃	a.	Accounts receivable	58,361	About 90 days	0.60
		〃	a.	Other receivables	239	About 90 days	-
		〃	a.	Contract liabilities	15,970	About 90 days	0.16
		〃	a.	Sales revenue	269,063	About 90 days	11.14
		〃	a.	Rental income	762	30 days	0.03
		〃	a.	Interest income	1,245	30 days	0.05
		Fuyu Development Co., Ltd.	a.	Other receivables	8	About 90 days	-
		〃	a.	Notes payable	101	About 90 days	-
		〃	a.	Other payables	436	About 90 days	-
		〃	a.	Operating cost	1,235	About 90 days	0.05
		〃	a.	Rental income	4,875	30 days	0.20
		〃	a.	Other income	600	30 days	0.02
		Luckyship Co.	a.	Other receivables	2	About 90 days	-
		〃	a.	Rental income	138	30 days	0.01
		Dasheng Enterprise	a.	Other receivables - financing	100,700	Financing, the repayment period is one year	1.04
		〃	a.	Other receivables	182	About 90 days	-
		〃	a.	Rental income	45	30 days	-
		〃	a.	Interest income	907	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.

LUCKY CEMENT CO.

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2023

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