

**Universal Cement Corporation and  
Subsidiaries**

**Consolidated Financial Statement for the  
Three Months Ended March 31, 2024 and 2023 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Universal Cement Corporation

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Universal Cement Corporation and subsidiaries (the "Group") as at March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these 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" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these 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 Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. 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 13 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements were not reviewed. As of March 31, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT\$203,604 thousand and NT\$2,837,806 thousand, respectively, representing 0.71% and 10%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$55,693 thousand and NT\$855,237 thousand, respectively, representing 1% and 14%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2024 and 2023, the amounts of combined comprehensive income of these non-significant subsidiaries were NT\$(1,282) thousand, and NT\$108,685 thousand, respectively, representing (0.14%), and 20%, respectively, of the consolidated total comprehensive income or loss. As disclosed in the consolidated financial statements, the investments accounted for using the equity method were based on the subsidiaries' financial statements that were not reviewed for the same periods. In addition, as disclosed in Note 14, as of March 31, 2024 and 2023, the investments accounted for using the equity method were NT\$11,233,119 thousand and NT\$10,717,055, respectively, representing 39% and 38%, respectively, of the consolidated total assets, for the three months ended March 31, 2024 and 2023, the recognized share of profit of associates and joint

ventures were NT\$80,495 thousand and NT\$82,773 thousand, respectively, representing 9% and 15% , respectively, of the total amount of consolidated comprehensive income, and the related shares of other comprehensive income from the associates and joint ventures were NT\$347,990 thousand and NT\$15,715 thousand, respectively, representing 39% and 3%, respectively, of the total amount of consolidated comprehensive income. The investments' comprehensive income or loss recognized and the related information on the Group's investments disclosed in Note 35 to the consolidated financial statements were based on the investees' financial statements that were not reviewed for the same periods.

### **Qualified conclusion**

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the Basis for qualified conclusion section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

The engagement partners on the review resulting in this independent auditors' review report are Chi Chen Lee and Hung Ju Liao.

Deloitte & Touche  
Taipei, Taiwan

Republic of China

May 10, 2024

### 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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.*

*For the convenience of readers, the auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail. The English version not reviewed by an accountant.*

**Universal Cement Corporation and Subsidiaries**
**CONSOLIDATED BALANCE SHEETS**
**(In Thousands of New Taiwan Dollars)**

ASSETS	March 31, 2024 (Reviewed)		December 31, 2023 (Audited)		March 31, 2023 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 1,136,975	4	\$ 1,418,310	5	\$ 840,325	3
Financial assets at fair value through profit or loss - current (Note 7)	14,619	-	13,972	-	57,577	-
Financial assets at fair value through other comprehensive income - current (Note 8)	2,869,282	10	2,691,567	10	2,392,367	8
Financial assets at amortized cost - current (Notes 9, 10 and 32)	131,334	-	127,350	-	102,367	-
Notes receivable (Notes 11 and 24)	536,726	2	567,255	2	457,621	2
Net Accounts receivable (Notes 11 and 24)	1,401,711	5	1,546,340	6	1,397,506	5
Net Accounts receivable from related parties (Notes 11, 24 and 31)	38,814	-	58,750	-	35,932	-
Other receivables	991	-	589	-	7,041	-
Current tax assets	397	-	-	-	10	-
Inventories (Note 12)	468,198	2	388,373	1	427,867	2
Prepayments	29,468	-	18,065	-	20,793	-
Other current assets (Notes 24 and 31)	6,518	-	5,863	-	15,681	-
<b>Total current assets</b>	<b>6,635,033</b>	<b>23</b>	<b>6,836,434</b>	<b>24</b>	<b>5,755,087</b>	<b>20</b>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	45,709	-	47,558	-	43,733	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	2,149,053	8	1,991,004	7	2,523,482	9
Financial assets at amortized cost - non-current (Note 9, 10 and 32)	12,683	-	16,995	-	11,344	-
Investments accounted for using the equity method (Note 14)	11,233,119	39	10,804,634	39	10,717,055	38
Property, plant and equipment (Note 15)	7,380,821	26	7,342,196	26	7,911,908	28
Right - of - use assets (Note 16)	209,063	1	222,428	1	251,796	1
Investment properties (Note 17)	840,426	3	840,717	3	841,586	3
Other intangible assets (Note 18)	10,568	-	10,648	-	11,446	-
Deferred tax assets	15,969	-	16,511	-	13,921	-
Prepayments for equipment	26,049	-	45,458	-	38,076	-
Net defined benefit assets	14,966	-	14,977	-	15,424	-
<b>Total non-current assets</b>	<b>21,938,426</b>	<b>77</b>	<b>21,353,126</b>	<b>76</b>	<b>22,379,771</b>	<b>80</b>
<b>TOTAL</b>	<b>\$28,573,459</b>	<b>100</b>	<b>\$28,189,560</b>	<b>100</b>	<b>\$28,134,858</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Note 19)	\$ 1,900,000	7	\$ 1,700,000	6	\$ 2,201,000	8
Short-term bills payable (Note 19)	169,827	1	274,785	1	748,508	3
Contract liabilities - current (Note 24)	3,689	-	2,359	-	1,890	-
Notes payable (Note 20)	211,896	1	218,691	1	92,510	-
Accounts Payable (Note 20)	602,817	2	709,034	3	694,029	2
Accounts Payable to related parties (Notes 20 and 31)	32,169	-	34,059	-	26,091	-
Other payables (Note 21)	347,988	1	406,020	1	267,392	1
Current tax liabilities	253,785	1	157,831	1	149,387	1
Lease liabilities - current (Note 16)	53,785	-	53,990	-	51,183	-
Long-term borrowings due within one year (Note 19)	-	-	500,000	2	280,000	1
Other current liabilities (Note 21)	31,885	-	22,080	-	26,167	-
<b>Total current liabilities</b>	<b>3,607,841</b>	<b>13</b>	<b>4,078,849</b>	<b>15</b>	<b>4,538,157</b>	<b>16</b>
<b>NON-CURRENT LIABILITIES</b>						
Deferred tax liabilities	1,245,176	4	1,245,107	4	1,305,060	5
Lease liabilities - non-current (Note 16)	162,775	1	175,887	1	206,752	1
Guarantee deposits received	10,603	-	11,583	-	9,349	-
<b>Total non-current liabilities</b>	<b>1,418,554</b>	<b>5</b>	<b>1,432,577</b>	<b>5</b>	<b>1,521,161</b>	<b>6</b>
<b>Total liabilities</b>	<b>5,026,395</b>	<b>18</b>	<b>5,511,426</b>	<b>20</b>	<b>6,059,318</b>	<b>22</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)</b>						
Capital stock - common stock	6,732,175	23	6,732,175	24	6,536,092	23
Capital surplus	123,719	-	123,719	-	123,499	-
Retained earnings						
Legal reserve	2,920,126	11	2,920,126	10	2,715,883	10
Special reserve	3,185,793	11	3,185,793	11	3,185,793	11
Unappropriated earnings	8,347,959	29	8,099,817	29	7,644,970	27
Total retained earnings	14,453,878	51	14,205,736	50	13,546,646	48
Other equity	1,450,791	5	807,552	3	1,253,311	5
<b>Total equity attributable to owners of the Company</b>	<b>22,760,563</b>	<b>79</b>	<b>21,869,182</b>	<b>77</b>	<b>21,459,548</b>	<b>76</b>
<b>NON - CONTROLLING INTERESTS</b>	<b>786,501</b>	<b>3</b>	<b>808,952</b>	<b>3</b>	<b>615,992</b>	<b>2</b>
<b>Total equity</b>	<b>23,547,064</b>	<b>82</b>	<b>22,678,134</b>	<b>80</b>	<b>22,075,540</b>	<b>78</b>
<b>TOTAL</b>	<b>\$28,573,459</b>	<b>100</b>	<b>\$28,189,560</b>	<b>100</b>	<b>\$28,134,858</b>	<b>100</b>

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

## Universal Cement Corporation and Subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	<b>For the Three Months Ended March 31</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
OPERATING REVENUE (Notes 24 and 31)	\$ 1,908,572	100	\$ 1,835,530	100
OPERATING COSTS (Notes 12, 25 and 31)	<u>1,525,149</u>	<u>80</u>	<u>1,490,975</u>	<u>82</u>
GROSS PROFIT	<u>383,423</u>	<u>20</u>	<u>344,555</u>	<u>18</u>
OPERATING EXPENSES (Notes 11, 25 and 31)				
Selling and marketing expenses	30,895	1	39,031	2
General and administrative expenses	88,510	5	79,400	4
Research and development expenses	18,020	1	22,522	1
Expected credit loss (gain)	<u>( 179)</u>	<u>-</u>	<u>9,818</u>	<u>1</u>
Total operating expenses	<u>137,246</u>	<u>7</u>	<u>150,771</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>246,177</u>	<u>13</u>	<u>193,784</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES(Notes 25 and 31)				
Interest income	3,765	-	1,051	-
Other income	27,987	2	19,169	1
Other gains and losses	4,141	-	34,519	2
Interest expenses	<u>( 11,479)</u>	<u>( 1)</u>	<u>( 15,809)</u>	<u>( 1)</u>
Share of profit or loss of associates accounted for using the equity method	<u>80,495</u>	<u>4</u>	<u>82,773</u>	<u>5</u>
Total non-operating income and expenses	<u>104,909</u>	<u>5</u>	<u>121,703</u>	<u>7</u>
INCOME BEFORE INCOME TAX	351,086	18	315,487	17
INCOME TAX EXPENSE (Notes 4 and 26)	<u>96,504</u>	<u>5</u>	<u>35,133</u>	<u>2</u>
NET INCOME	<u>254,582</u>	<u>13</u>	<u>280,354</u>	<u>15</u>

(Continued)

# Universal Cement Corporation and Subsidiaries

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (Note 23)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	\$ 295,338	16	\$ 252,993	14
Share of the other comprehensive income or loss of associates accounted for using the equity method	233	-	2,082	-
	<u>295,571</u>	<u>16</u>	<u>255,075</u>	<u>14</u>
Items that may be reclassified subsequently to profit or loss:				
Share of the other comprehensive income or loss of associates accounted for using the equity method	<u>347,757</u>	<u>18</u>	<u>13,633</u>	<u>1</u>
Other comprehensive income for the year, net of income tax	<u>643,328</u>	<u>34</u>	<u>268,708</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 897,910</u>	<u>47</u>	<u>\$ 549,062</u>	<u>30</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 248,142	13	\$ 272,932	15
Non-controlling interests	<u>6,440</u>	<u>-</u>	<u>7,422</u>	<u>-</u>
	<u>\$ 254,582</u>	<u>13</u>	<u>\$ 280,354</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 891,381	47	\$ 541,644	30
Non-controlling interests	<u>6,529</u>	<u>-</u>	<u>7,418</u>	<u>-</u>
	<u>\$ 897,910</u>	<u>47</u>	<u>\$ 549,062</u>	<u>30</u>
EARNINGS PER SHARE (Note 27)				
Basic	\$ 0.37		\$ 0.41	
Diluted	0.37		0.40	

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

(Concluded)

## Universal Cement Corporation and Subsidiaries

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company												Non-controlling Interests (Note 23)	Total Equity
	Retained Earnings					Other Equity								
	Capital Stock - Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement of Defined Benefit Plans	other	Total Other Equity	Total			
BALANCE AT JANUARY 1, 2023	\$ 6,536,092	\$ 123,499	\$ 2,715,883	\$ 3,185,793	\$ 7,372,038	(\$ 799,476)	\$ 1,711,898	\$ 89,394	(\$ 17,217)	\$ 984,599	\$ 20,917,904	\$ 608,574	\$ 21,526,478	
Net income					272,932						272,932	7,422	280,354	
Other comprehensive income (loss), net of income tax						13,633	255,079			268,712	268,712	(4)	268,708	
Total comprehensive income (loss) for the three months ended March 31, 2023					272,932	13,633	255,079			268,712	541,644	7,418	549,062	
BALANCE AT MARCH 31, 2023	\$ 6,536,092	\$ 123,499	\$ 2,715,883	\$ 3,185,793	\$ 7,644,970	(\$ 785,843)	\$ 1,966,977	\$ 89,394	(\$ 17,217)	\$ 1,253,311	\$ 21,459,548	\$ 615,992	\$ 22,075,540	
BALANCE AT JANUARY 1, 2024	\$ 6,732,175	\$ 123,719	\$ 2,920,126	\$ 3,185,793	\$ 8,099,817	(\$ 1,009,492)	\$ 1,743,007	\$ 91,254	(\$ 17,217)	\$ 807,552	\$ 21,869,182	\$ 808,952	\$ 22,678,134	
Net income					248,142						248,142	6,440	254,582	
Other comprehensive income, net of income tax						347,757	295,482			643,239	643,239	89	643,328	
Total comprehensive income (loss) for the three months ended March 31, 2024					248,142	347,757	295,482			643,239	891,381	6,529	897,910	
Change in non-controlling interests (Note 23)												(28,980)	(28,980)	
BALANCE AT MARCH 31, 2024	\$ 6,732,175	\$ 123,719	\$ 2,920,126	\$ 3,185,793	\$ 8,347,959	(\$ 661,735)	\$ 2,038,489	\$ 91,254	(\$ 17,217)	\$ 1,450,791	\$ 22,760,563	\$ 786,501	\$ 23,547,064	

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

# Universal Cement Corporation and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 351,086	\$ 315,487
Adjustments for:		
Depreciation expenses	47,185	44,550
Amortization expenses	1,006	890
Expected credit loss (gain) recognized	( 179)	9,818
Net gain (loss) on fair value changes of financial assets designated as at fair value through profit or loss	1,202	( 36,236)
Interest expenses	11,479	15,809
Interest income	( 3,765)	( 1,051)
Dividend income	( 3,801)	( 12,118)
Share of profit of associates accounted for using the equity method	( 80,495)	( 82,773)
Net gain on disposal of property, plant and equipment	( 76)	( 94)
Changes in operating assets and liabilities		
Notes receivable	30,529	79,443
Accounts receivable (Including related parties)	164,528	2,948
Other receivables	( 147)	( 6,399)
Inventories	( 79,825)	( 33,884)
Prepayments	( 11,403)	3,165
Other current assets	( 439)	( 4,049)
Contract liabilities	1,330	( 194)
Notes payable	( 6,795)	( 96,235)
Accounts payable (Including related parties)	( 108,107)	15,870
Other payables	( 48,052)	( 95,689)
Other current liabilities	9,805	3,197
Net defined benefit plan	11	-
Cash generated from operations	275,077	122,455
Interest received	3,510	1,069
Dividends received	3,801	12,118
Income tax paid	( 336)	( 8,297)
Net cash generated from operating activities	282,052	127,345

(Continued)

## Universal Cement Corporation and Subsidiaries

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of financial assets at fair value through other comprehensive income	(\$ 40,426)	\$ -
Increase in financial assets at amortized cost	( 35,001)	( 50)
Decrease in financial assets at amortized cost	35,329	4,990
Proceeds from sale of financial assets at fair value through profit or loss	-	60,070
Payments for property, plant and equipment	( 62,437)	( 46,893)
Proceeds from disposal of property, plant and equipment	76	256
Payments for intangible assets	( 926)	( 344)
Net cash generated from / used in investing activities	<u>( 103,385)</u>	<u>18,029</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (Decrease) in short-term loans	200,000	( 89,000)
Decrease in short-term bills payable	( 105,000)	( 250,000)
Increase in long-term loans	-	280,000
Repayment of long-term loans	( 500,000)	-
Proceeds from guarantee deposits received	40	100
Refund of guarantee deposits received	( 1,020)	( 430)
Repayment of the principal portion of lease liabilities	( 13,339)	( 13,781)
Interest Paid	( 11,703)	( 16,402)
Dividends paid to non-controlling interests	( 28,980)	-
Net cash used in financing activities	<u>( 460,002)</u>	<u>( 89,513)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>( 281,335)</b>	<b>55,861</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b><u>1,418,310</u></b>	<b><u>784,464</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b><u>\$ 1,136,975</u></b>	<b><u>\$ 840,325</u></b>

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

(Concluded)

# Universal Cement Corporation and Subsidiaries

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Universal Cement Corporation (the Company) was incorporated in the Republic of China (ROC) in March 1960. The Company mainly manufactures and sells cement, ready mixed concrete and gypsum board panels.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since February 1971.

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Company's board of directors on May 10, 2024.

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

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

The initial 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. New 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
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
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect

as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

#### IFRS 18 “Presentation and Disclosures in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the effects above, as of the date of approving the issuance of this consolidated financial report, the Group is still evaluating the effects of amendments to other standards and interpretations on the financial positions and financial performance; relevant effects are to be disclosed upon the completion of the evaluation.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### a. Statement of compliance

These interim 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. The disclosed information included in these interim consolidated financial statements is less than the disclosed 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 which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, 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 assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the assets or liabilities.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

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.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 and table 4 for detailed information on subsidiaries (including percentages of ownership and main business).

d. Other material accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- a) Assets held primarily for the purpose of trading;
- b) Assets expected to be realized within 12 months after the reporting period; and
- c) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- a) Liabilities held primarily for the purpose of trading;
- b) Liabilities due to be settled within 12 months after the reporting period; and
- c) Liabilities for which the Group does not have an unconditional right to defer settlement for at

least 12 months after the reporting period.

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

2) Retirement benefits

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

3) Income tax expense

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

**5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

For the summary of critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand	\$ 611	\$ 461	\$ 533
Checking accounts and demand deposits	455,579	313,886	484,345
Cash equivalent (investments with original maturities less than			
Time deposits (a)	29,702	49,400	55,977
Bonds with repurchase agreements (b)	651,083	1,054,563	299,470
	<u>\$ 1,136,975</u>	<u>\$ 1,418,310</u>	<u>\$ 840,325</u>

The ranges of interest rates of time deposits and bonds with repurchase agreements at the end of the reporting period were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
a. Time deposits	1.1%-5.1%	1.1%-1.16%	1.94%-5.04%
b. Bonds with repurchase agreements	1.24%-1.3%	1.2%-1.23%	0.85%-1.02%

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic Listed shares and emerging market shares	\$ 14,216	\$ 13,578	\$ 57,154
Mutual funds	403	394	423
	<u>\$ 14,619</u>	<u>\$ 13,972</u>	<u>\$ 57,577</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Limited Partnership	\$ 45,709	\$ 47,558	\$ 43,733

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Investments in equity instruments at FVTOCI - Current</u>			
Domestic investments			
Listed shares and emerging market shares	\$ 2,869,282	\$ 2,691,567	\$ 2,392,367
<u>Investments in equity instruments at FVTOCI - Non-current</u>			
Domestic investments			
Listed OTC Private Equity	\$ 598,400	\$ 591,800	\$ 540,950
Unlisted shares	1,550,653	1,399,204	1,982,532
	<u>\$ 2,149,053</u>	<u>\$ 1,991,004</u>	<u>\$ 2,523,482</u>

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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
<u>Current</u>			
Time deposits with original maturity of more than 3 months	\$ 96,267	\$ 127,283	\$ 102,300
Pledged time deposits (a)	67	67	67
Refundable deposits	35,000	-	-
	<u>\$ 131,334</u>	<u>\$ 127,350</u>	<u>\$ 102,367</u>
<u>Non-current</u>			
Pledged time deposits (a)	\$ 8,010	\$ 8,010	\$ 5,510
Refundable deposits	4,673	8,985	5,834
	<u>\$ 12,683</u>	<u>\$ 16,995</u>	<u>\$ 11,344</u>

- a. The ranges of interest rates of time deposits and pledged time deposits with original maturities of more than 3 months at the end of the reporting period were as follows:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Time deposits and pledged time deposits	1.44%-2.58%	1.25%-5.47%	1.00%-1.44%

The information on pledged time deposits is set out in Note 32.

- b. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
<u>Carrying amounts</u>			
Financial assets at amortized cost - current	\$ 131,334	\$ 127,350	\$ 102,367
Financial assets at amortized cost - non-current	12,683	16,995	11,344
	<u>\$ 144,017</u>	<u>\$ 144,345</u>	<u>\$ 113,711</u>

The Group invests only in debt instruments that have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. In determining the expected credit losses for debt instrument investments, the Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries. Due to the debt instrument investments have low credit risk and sufficient ability to settle contractual cash flows, as of March 31, 2024, and for the periods ended December 31, 2023 and March 31, no expected credit losses have been recognized in financial assets measured at amortized cost.

## 11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
<u>Notes receivable</u>			
At amortized cost			
Notes receivable - operating	\$ 536,726	\$ 566,922	\$ 457,413
Notes receivable - non-operating	-	333	208
	<u>\$ 536,726</u>	<u>\$ 567,255</u>	<u>\$ 457,621</u>
<u>Accounts receivable (Including related parties)</u>			
At amortized cost	\$ 1,450,186	\$ 1,614,768	\$ 1,462,507
Less: Allowance for impairment loss	9,661	9,678	29,069
	<u>\$ 1,440,525</u>	<u>\$ 1,605,090</u>	<u>\$ 1,433,438</u>

a. Notes receivable

The Group analyzed notes receivable was not past due based on past due status, and the Group did not recognize an expected credit loss for notes receivable as of March 31, 2024, December 31, 2023 and March 31, 2023.

b. Accounts receivable (Including related parties)

The average collection period for receivables due to sales was between 30 to 90 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Company has delegated a team responsible 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. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group recognizes loss allowance based on the use of lifetime expected credit losses on accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. 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 an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For account 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 accounts receivables based on the Group's provision matrix.

March 31, 2024

	<u>Less than 30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91-120 Days</u>	<u>121-150 Days</u>	<u>151-365 Days</u>	<u>Over 365 Days</u>	<u>Total</u>
Expected credit loss rate	0.12%-0.81%	0.34%-0.93%	0.79%-1.34%	2.31%-2.7%	6.47%-10.93%	24.51%-38.57%	100%	
Gross carrying amount	\$ 961,653	\$ 247,516	\$ 126,069	\$ 83,657	\$ 28,373	\$ 2,219	\$ 699	\$ 1,450,186
Loss allowance (Lifetime ECL)	( 1,449)	( 1,185)	( 1,248)	( 2,097)	( 2,710)	( 273)	( 699)	( 9,661)
Amortized cost	<u>\$ 960,204</u>	<u>\$ 246,331</u>	<u>\$ 124,821</u>	<u>\$ 81,560</u>	<u>\$ 25,663</u>	<u>\$ 1,946</u>	<u>\$ -</u>	<u>\$ 1,440,525</u>

December 31, 2023

	<u>Less than 30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91-120 Days</u>	<u>121-150 Days</u>	<u>151-365 Days</u>	<u>Over 365 Days</u>	<u>Total</u>
Expected credit loss rate	0.13%-0.82%	0.37%-0.94%	0.88%-1.35%	2.31%-2.96%	6.35%-13.41%	23.78%-54.09%	0%	
Gross carrying amount	\$ 1,010,499	\$ 370,838	\$ 131,779	\$ 67,430	\$ 27,765	\$ 2,691	\$ 3,766	\$ 1,614,768
Loss allowance (Lifetime ECL)	( 1,210)	( 2,537)	( 1,640)	( 2,115)	( 2,013)	( 163)	-	( 9,678)
Amortized cost	<u>\$ 1,009,289</u>	<u>\$ 368,301</u>	<u>\$ 130,139</u>	<u>\$ 65,315</u>	<u>\$ 25,752</u>	<u>\$ 2,528</u>	<u>\$ 3,766</u>	<u>\$ 1,605,090</u>

The Group has received accounts receivable for over 366 days before January 2024 and did not recognize the loss allowance of accounts receivable.

March 31, 2023

	<u>Less than 30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91-120 Days</u>	<u>121-150 Days</u>	<u>151-365 Days</u>	<u>Over 365 Days</u>	<u>Total</u>
Expected credit loss rate	0.03%-1.28%	0.37%-1.45%	0.88%-2.11%	2.96%-3.68%	10.49%-13.41%	27.53%-54.09%	100%	
Gross carrying amount	\$ 1,036,787	\$ 266,963	\$ 53,951	\$ 58,112	\$ 18,093	\$ 20,618	\$ 7,983	\$ 1,462,507
Loss allowance (Lifetime ECL)	( 3,140)	( 1,367)	( 1,023)	( 1,657)	( 2,027)	( 11,872)	( 7,983)	( 29,069)
Amortized cost	<u>\$ 1,033,647</u>	<u>\$ 265,596</u>	<u>\$ 52,928</u>	<u>\$ 56,455</u>	<u>\$ 16,066</u>	<u>\$ 8,746</u>	<u>\$ -</u>	<u>\$ 1,433,438</u>

The movements of the loss allowance of contract asset (In the other current assets) and accounts receivable (Including related parties) were as follows:

For the Three Months Ended March 31, 2024

	<b>Contract Asset (Including related parties)</b>	<b>Accounts Receivable (Including related parties)</b>	<b>Total</b>
Balance at January 1	\$ 370	\$ 9,678	\$ 10,048
Less: Allowance (reversal) for the period	( 216)	37	( 179)
Less: Written off for the period	-	( 54)	( 54)
Balance at March 31	<u>\$ 154</u>	<u>\$ 9,661</u>	<u>\$ 9,815</u>

For the Three Months Ended March 31, 2023

	<b>Contract Asset (Including related parties)</b>	<b>Accounts Receivable (Including related parties)</b>	<b>Total</b>
Balance at January 1	\$ 1,549	\$ 19,237	\$ 20,786
Less: Allowance (reversal) for the period	( 14)	9,832	9,818
Balance at March 31	<u>\$ 1,535</u>	<u>\$ 29,069</u>	<u>\$ 30,604</u>

**12. INVENTORIES**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Merchandise	\$ 84,448	\$ 33,165	\$ 86,381
Finished goods	95,109	125,498	96,275
Work in process	83,278	9,990	41,774
Raw materials and supplies	<u>205,363</u>	<u>219,720</u>	<u>203,437</u>
	<u>\$ 468,198</u>	<u>\$ 388,373</u>	<u>\$ 427,867</u>

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
The cost of inventories recognized as cost of goods sold	<u>\$ 1,525,149</u>	<u>\$ 1,490,975</u>

### 13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Chiayi RMC Industry Co., Ltd.	Manufacturing and marketing of ready-mixed concrete	86.63	86.63	86.63	a
"	Huan-Chung International Co., Ltd.	Manufacturing, marketing, importing and exporting of cement and cement clinker	69.99	69.99	69.99	b
"	Kaohsiung Pier Transportation Co., Ltd.	Trucking operation	100	100	100	a
"	UCC Investment Co., Ltd.	Investment activities	100	100	100	b
"	Universal RMC Industry Co., Ltd.	Manufacturing and marketing of ready-mixed concrete and gravel	58.18	58.18	58.12	b - c
"	Uneo Inc.	Marketing of electronic products	100	100	100	a
"	Li-Yong Development Co., Ltd.	Investment activities, trading for real estate and leasing business	100	100	100	a
"	Tainan RMC Industry Co., Ltd.	Manufacturing and marketing of ready-mixed concrete	67.45	67.45	67.45	b
UCC Investment Co., Ltd.	Universal RMC Industry Co., Ltd.	Manufacturing and marketing of ready-mixed concrete and gravel	0.87	0.87	0.87	b
"	Chiayi RMC Industry Co., Ltd.	Manufacturing and marketing of ready-mixed concrete	0.01	0.01	0.01	a
"	Huan-Chung International Co., Ltd.	Manufacturing, marketing, importing and exporting of cement and cement clinker	0.01	0.01	0.01	b
"	Tainan RMC Industry Co., Ltd.	Manufacturing and marketing of ready-mixed concrete	0.33	0.33	0.33	b

a. The subsidiaries' financial statements were not reviewed by auditors because they were non-significant.

b. The subsidiaries' financial statements for the three months ended March 31, 2023 were not reviewed by auditors because they were non-significant.

c. The Company acquired 8 thousand shares held by the non-controlling interest of Universal Concrete Industrial Corp. in November 2023, resulting in an increase in the shareholding ratio.

### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates :

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Unlisted shares</u>			
Material associate-Lioho Machine Works Ltd.	<u>\$ 11,233,119</u>	<u>\$ 10,804,634</u>	<u>\$ 10,717,055</u>

Material associates

Name of Associate	Proportion of Ownership and Voting Rights		
	March 31, 2024	December 31, 2023	March 31, 2023
Lioho Machine Works Ltd.	29.86%	29.86%	29.86%

Refer to Table 4 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associates.

The equity method as of March 31, 2024 and 2023, and for the three months ended March 31, 2024 and 2023, the share of net income and other comprehensive income from associates under the equity method were accounted for based on the non-reviewed financial statements.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
<b>Cost</b>							
Balance at January 1, 2023	\$ 5,930,326	\$ 2,058,253	\$ 3,472,489	\$ 677,264	\$ 783,083	\$ 960,524	\$ 13,881,939
Additions	-	929	4,467	8,917	3,058	14,411	31,782
Disposals	-	-	( 7,856)	( 3,902)	( 2,608)	-	( 14,366)
Reclassification	-	236	-	-	-	( 236)	-
Balance at March 31, 2023	\$ 5,930,326	\$ 2,059,418	\$ 3,469,100	\$ 682,279	\$ 783,533	\$ 974,699	\$ 13,899,355
<b>Accumulated depreciation and impairment</b>							
Balance at January 1, 2023	\$ -	\$ 1,204,473	\$ 3,263,326	\$ 540,990	\$ 584,446	\$ 377,166	\$ 5,970,401
Depreciation expense	-	7,608	9,634	8,624	5,384	-	31,250
Disposals	-	-	( 7,856)	( 3,740)	( 2,608)	-	( 14,204)
Balance at March 31, 2023	\$ -	\$ 1,212,081	\$ 3,265,104	\$ 545,874	\$ 587,222	\$ 377,166	\$ 5,987,447
Carrying amounts at March 31, 2023	\$ 5,930,326	\$ 847,337	\$ 203,996	\$ 136,405	\$ 196,311	\$ 597,533	\$ 7,911,908
<b>Cost</b>							
Balance at January 1, 2024	\$ 5,425,740	\$ 2,088,767	\$ 3,486,687	\$ 718,852	\$ 828,496	\$ 983,355	\$ 13,531,897
Additions	-	6,349	41,511	10,638	5,422	8,212	72,132
Disposals	-	-	-	-	( 866)	-	( 866)
Reclassification	-	235	789,786	-	163,211	( 953,232)	-
Balance at March 31, 2024	\$ 5,425,740	\$ 2,095,351	\$ 4,317,984	\$ 729,490	\$ 996,263	\$ 38,335	\$ 13,603,163
<b>Accumulated depreciation and impairment</b>							
Balance at January 1, 2024	\$ -	\$ 1,235,203	\$ 3,293,585	\$ 567,901	\$ 599,735	\$ 493,277	\$ 6,189,701
Depreciation expense	-	7,576	9,277	10,387	6,267	-	33,507
Disposals	-	-	-	-	( 866)	-	( 866)
Reclassification	-	-	468,872	-	24,405	( 493,277)	-
Carrying amounts at March 31, 2024	\$ -	\$ 1,242,779	\$ 3,771,734	\$ 578,288	\$ 629,541	\$ -	\$ 6,222,342
Carrying amounts at December 31, 2023 and January 1, 2024	\$ 5,425,740	\$ 853,564	\$ 193,102	\$ 150,951	\$ 228,761	\$ 490,078	\$ 7,342,196
Carrying amounts at March 31, 2024	\$ 5,425,740	\$ 852,572	\$ 546,250	\$ 151,202	\$ 366,722	\$ 38,335	\$ 7,380,821

No impairment losses were recognized or reversed for the three months ended March 31, 2024 and 2023.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Buildings	
Main buildings	20-60 years
Outbuildings and construction	2-16 years
Engineering systems	9-16 years
Machinery and equipment	2-21 years
Transportation equipment	2-7 years
Other equipment	2-20 years

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Carrying amounts			
Land	\$ 1,458	\$ 1,682	\$ 1,901
Buildings	189,274	200,986	234,834
Transportation equipment	18,331	19,760	15,061
	<u>\$ 209,063</u>	<u>\$ 222,428</u>	<u>\$ 251,796</u>
	<b>For the Three Months Ended March 31</b>		
	<b>2024</b>	<b>2023</b>	
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 853</u>	
Depreciation charge for right-of-use assets			
Land		\$ 224	\$ 201
Buildings		11,734	11,733
Transportation equipment		1,429	1,072
		<u>\$ 13,387</u>	<u>\$ 13,006</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the three months ended March 31, 2024 and 2023.

### b. Lease liabilities

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Carrying amounts			
Current	\$ 53,785	\$ 53,990	\$ 51,183
Non-current	<u>\$ 162,775</u>	<u>\$ 175,887</u>	<u>\$ 206,752</u>

Ranges of discount rates for lease liabilities were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Land	1.71%-2.36%	1.71%-2.36%	1.422%-1.71%
Buildings	0.9%-1.71%	0.9%-1.71%	0.9%-1.71%
Transportation equipment	0.9%-1.95%	0.9%-1.95%	0.9%-1.95%

### c. Material lease-in activities and terms

The Group leases certain land, buildings and machinery for the use of plants and offices with lease terms of 3-10 years. The Group is prohibited from subleasing or transferring all or any portion of the land and buildings leased from Taiwan International Port Corporation without the lessor's consent.

### d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 5,325</u>	<u>\$ 5,255</u>
Expenses relating to low-value assets leases	<u>\$ 342</u>	<u>\$ 257</u>
Total cash outflow for leases	<u>\$ 18,679</u>	<u>\$ 19,253</u>

The Group leases certain assets which qualify as short-term leases and 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. INVESTMENT PROPERTIES

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1 and March 31, 2023	\$ 876,874	\$ 145,272	\$ 1,022,146
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 62,264	\$ 118,002	\$ 180,266
Depreciation expense	-	294	294
Balance at March 31, 2023	\$ 62,264	\$ 118,296	\$ 180,560
Carrying amounts at March 31, 2023	\$ 814,610	\$ 26,976	\$ 841,586
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1 and March 31, 2024	\$ 876,874	\$ 145,272	\$ 1,022,146
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ 62,264	\$ 119,165	\$ 181,429
Depreciation expense	-	291	291
Balance at March 31, 2024	\$ 62,264	\$ 119,456	\$ 181,720
Carrying amounts at December 31, 2023 and January 1, 2024	\$ 814,610	\$ 26,107	\$ 840,717
Carrying amounts at March 31, 2024	\$ 814,610	\$ 25,816	\$ 840,426

As of March 31, 2024, December 31, 2023 and March 31, 2023 the Group has not yet completed the property registration of the land, both are amounting to \$113,247 thousand because of the restriction in the regulations but the property has been secured with mortgage registration.

The investment properties are depreciated using the straight-line method over 10-61 years of useful lives.

The fair values of the investment properties of the Group as of December 31, 2023 and 2022 were \$2,072,466 thousand and \$1,991,690 thousand, respectively. The fair values were determined by the independent appraisal company on each balance sheet date in the past three years with reference to similar real estate. The fair value of the transaction price is based on market evidence, or the company's management refers to the actual transaction price in nearby areas. Management of the Group had assessed and determined that there were no significant changes in fair value as of March 31, 2024 and 2023, as compared to that of December 31, 2023 and 2022.

The maturity analysis of lease payments receivable under operating leases of investment properties were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Year 1	\$ 13,405	\$ 14,702	\$ 10,078
Year 2	8,051	7,167	6,555
Year 3	8,026	7,176	6,650
Year 4	8,026	7,176	6,699
Year 5	7,899	7,118	6,699
Year 5 onwards	14,263	3,451	8,574
	\$ 59,670	\$ 46,790	\$ 45,255

## 18. OTHER INTANGIBLE ASSETS

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Patents	\$ 2,796	\$ 2,800	\$ 3,001
Licenses and Franchises	1,362	1,421	1,599
Trademarks	25	26	29
Computer Software	6,385	6,401	6,817
	\$ 10,568	\$ 10,648	\$ 11,446

Except for the recognition of amortization expenses, there was no significant increase, disposal or impairment of the intangible assets of the Group for the three months ended March 31, 2024 and 2023, respectively.

The above intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Patents	3-20 years
Licenses and franchises	10 years
Trademarks	10 years
Computer Software	2-5 years

## 19. BORROWINGS

### a. Short-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,900,000	\$ 1,700,000	\$ 2,201,000
The range of interest rates	1.73%-1.855%	1.75%-1.88%	1.60%-2.18%

### b. Short-term bills payable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Commercial papers	\$ 170,000	\$ 275,000	\$ 750,000
Less: Unamortized discount on bills payable	173	215	1,492
	<u>\$ 169,827</u>	<u>\$ 274,785</u>	<u>\$ 748,508</u>
The Group did not provide any collateral over these balance.			
The range of interest rates	1.878%-1.888%	1.798%-1.928%	1.738%-2.098%

### c. Long-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Unsecured loans</u>			
Line of credit borrowings	\$ -	\$ 500,000	\$ 280,000
Less: Long-term borrowings due within one year	-	500,000	280,000
Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Group acquired new bank loans in February and September 2023, amounting to \$280,000 thousand and \$220,000 thousand respectively. These loans are due in March and October 2024, with annual interest rates of 1.795% and 1.75% as of December 31, 2023 and March 31, 2023, respectively. The Group repaid the loans in advance in March 2024.

## 20. NOTES PAYABLE AND ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

Notes payable and accounts payable (including related parties) were resulted from operating activities. The average credit period on purchases is 30-65 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Therefore, no interest was charged on the payables.

## 21. OTHER PAYABLES AND OTHER LIABILITIES

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Current</u>			
Other payable			
Payable for salaries or bonus	\$ 67,760	\$ 127,931	\$ 42,866
Payable for remuneration to directors	58,933	53,921	43,401
Payable for remuneration to employees	53,467	50,211	40,363
Payable for freight	22,378	20,625	19,792
Payable for taxes	17,141	9,002	18,060
Payable for annual leave	11,788	12,883	10,122
Payables for equipment	1,480	11,194	4,292
Others	115,041	120,253	88,496
	<u>\$ 347,988</u>	<u>\$ 406,020</u>	<u>\$ 267,392</u>
Other liabilities			
Receipts in advance	\$ 16,822	\$ 7,161	\$ 225
Temporary receipts	14,885	14,673	25,311
Others	178	246	631
	<u>\$ 31,885</u>	<u>\$ 22,080</u>	<u>\$ 26,167</u>

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Carrying amounts			
Land	\$ 1,458	\$ 1,682	\$ 1,901
Buildings	189,274	200,986	234,834
Transportation equipment	<u>18,331</u>	<u>19,760</u>	<u>15,061</u>
	<u>\$ 209,063</u>	<u>\$ 222,428</u>	<u>\$ 251,796</u>
	<b>For the Three Months Ended March 31</b>		
	<b>2024</b>	<b>2023</b>	
Additions to right-of-use assets	<u>\$ -</u>	<u>\$ 853</u>	
Depreciation charge for right-of-use assets			
Land		\$ 224	\$ 201
Buildings		11,734	11,733
Transportation equipment		<u>1,429</u>	<u>1,072</u>
		<u>\$ 13,387</u>	<u>\$ 13,006</u>

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the three months ended March 31, 2024 and 2023.

### b. Lease liabilities

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Carrying amounts			
Current	<u>\$ 53,785</u>	<u>\$ 53,990</u>	<u>\$ 51,183</u>
Non-current	<u>\$ 162,775</u>	<u>\$ 175,887</u>	<u>\$ 206,752</u>

Ranges of discount rates for lease liabilities were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Land	1.71%-2.36%	1.71%-2.36%	1.422%-1.71%
Buildings	0.9%-1.71%	0.9%-1.71%	0.9%-1.71%
Transportation equipment	0.9%-1.95%	0.9%-1.95%	0.9%-1.95%

### c. Material lease-in activities and terms

The Group leases certain land, buildings and machinery for the use of plants and offices with lease terms of 3-10 years. The Group is prohibited from subleasing or transferring all or any portion of the land and buildings leased from Taiwan International Port Corporation without the lessor's consent.

### d. Other lease information

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 5,325</u>	<u>\$ 5,255</u>
Expenses relating to low-value assets leases	<u>\$ 342</u>	<u>\$ 257</u>
Total cash outflow for leases	<u>\$ 18,679</u>	<u>\$ 19,253</u>

The Group leases certain assets which qualify as short-term leases and 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.

## 19. BORROWINGS

### a. Short-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,900,000	\$ 1,700,000	\$ 2,201,000
The range of interest rates	1.73%-1.855%	1.75%-1.88%	1.60%-2.18%

### b. Short-term bills payable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Commercial papers	\$ 170,000	\$ 275,000	\$ 750,000
Less: Unamortized discount on bills	173	215	1,492
	<u>\$ 169,827</u>	<u>\$ 274,785</u>	<u>\$ 748,508</u>
The Group did not provide any collateral over these balance.			
The range of interest rates	1.878%-1.888%	1.798%-1.928%	1.738%-2.098%

### c. Long -term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Unsecured loans</u>			
Line of credit borrowings	\$ -	\$ 500,000	\$ 280,000
Less: Long-term borrowings due within one year	-	500,000	280,000
Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The Group acquired new bank loans in February and September 2023, amounting to \$280,000 thousand and \$220,000 thousand respectively. These loans are due in March and October 2024, with annual interest rates of 1.795% and 1.75% as of December 31, 2023 and March 31, 2023, respectively. The Group repaid the loans in advance in March 2024.

## 20. NOTES PAYABLE AND ACCOUNTS PAYABLE (INCLUDING RELATED PARTIES)

Notes payable and accounts payable (including related parties) were resulted from operating activities. The average credit period on purchases is 30-65 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. Therefore, no interest was charged on the payables.

## 21. OTHER PAYABLES AND OTHER LIABILITIES

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Current</u>			
Other payable			
Payable for salaries or bonus	\$ 67,760	\$ 127,931	\$ 42,866
Payable for remuneration to directors	58,933	53,921	43,401
Payable for remuneration to employees	53,467	50,211	40,363
Payable for freight	22,378	20,625	19,792
Payable for taxes	17,141	9,002	18,060
Payable for annual leave	11,788	12,883	10,122
Payables for equipment	1,480	11,194	4,292
Others	115,041	120,253	88,496
	<u>\$ 347,988</u>	<u>\$ 406,020</u>	<u>\$ 267,392</u>
Other liabilities			
Receipts in advance	\$ 16,822	\$ 7,161	\$ 225
Temporary receipts	14,885	14,673	25,311
Others	178	246	631
	<u>\$ 31,885</u>	<u>\$ 22,080</u>	<u>\$ 26,167</u>

## 22. RETIREMENT BENEFIT PLANS

The pension expenses related to the defined benefit plan recognized for the three months ended March 31, 2024 and 2023 are calculated based on the pension cost rate actuarially determined on December 31, 2023 and 2022, and the amount is \$39 thousand and \$0 thousand, respectively.

## 23. EQUITY

### a. Share capital

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Number of shares authorized (thousands)	1,000,000	1,000,000	1,000,000
Capital stock authorized	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>
Number of shares issued and fully paid (thousands)	673,217	673,217	653,609
Capital stock issued	<u>\$ 6,732,175</u>	<u>\$ 6,732,175</u>	<u>\$ 6,536,092</u>

The Corporation's shareholders meeting resolved to distribute share dividends of 19,608 thousand shares with par value of \$10 on June 16, 2023, to increase the authorized share capital to \$6,732,175 thousand. Which was approved by the Financial Supervisory Commission ("FSC") on July 3, 2023. The ex-dividend date was July 29, 2023 and the change of registration was completed on August 16, 2023.

### b. Capital surplus

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)</u>			
Treasury share transactions	\$ 21,606	\$ 21,606	\$ 21,606
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts.	57,377	57,377	57,156
<u>May be used to offset a deficit only</u>			
Changes in interests in associates accounted for using the equity method	22,260	22,260	22,260
Overdue dividends not collected by shareholders	22,476	22,476	22,477
	<u>\$ 123,719</u>	<u>\$ 123,719</u>	<u>\$ 123,499</u>

Note: 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 once a year).

### c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, if the Company makes profit in a fiscal year, the profit shall be first utilized to pay taxes, offset losses of previous years, set aside as legal reserve with 10% of the remaining profit, set aside or reverse a special reserve in accordance with the laws and regulations, and lastly, together with any undistributed retained earnings, serve as the basis of a distribution plan proposed by the Company's board of directors in accordance with the resolution of the shareholders' meeting pertaining to the distribution of dividends and bonus to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 25-g.

According to the Company's Articles, dividends can be distributed by way of stock dividends and cash dividends. However, the ratio for stock dividend shall not exceed 50% of the total distribution unless the value of cash dividends is less than \$ 0.5 per share. The distribution of dividends can be adjusted by shareholders based on the Company's profit, capital status, and operating requirement.

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.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period and cumulative net increases in fair value measurement of investment properties from prior period, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The appropriations of 2023 and 2022 earnings have been proposed by the Company's Board of Directors on March 15, 2024 and May 2, 2023, respectively. The appropriations and dividends per share were as follows:

	<u>2023</u>	<u>2022</u>
Legal reserve	\$ 210,852	\$ 240,243
Cash dividends	\$ 1,211,791	\$ 980,414
Stock dividends	\$ 134,643	\$ 196,083
Cash dividends per share (NT\$)	\$ 1.8	\$ 1.5
Stock dividends per share (NT\$)	\$ 0.2	\$ 0.3

The appropriation of earnings for 2023 is subject to be approved by shareholder's general meeting on June 21, 2024.

d. Special reserves

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
First-time adoption IFRSs	\$ 3,185,793	\$ 3,185,793	\$ 3,185,793

Because the increase in the retained earnings caused by the first-time adoption of IFRSs was insufficient to be appropriated for provision, the Company had provided for special reserve based on the increase of the retained earnings, an adjustment that was recorded per Company policy on first-time adoption.

e. Other equity items

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

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	(\$ 1,009,492)	(\$ 799,476)
Share of exchange difference of associates accounted for using the equity method	347,757	13,633
Balance at March 31	<u>(\$ 661,735)</u>	<u>(\$ 785,843)</u>

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

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 1,743,007	\$ 1,711,898
Recognized for the period		
Unrealized gain (loss) - equity instruments	295,249	252,997
Share from associates accounted for using the equity method	233	2,082
Balance at March 31	<u>\$ 2,038,489</u>	<u>\$ 1,966,977</u>

f. Non-controlling interests

	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 808,952	\$ 608,574
Share in profit for the period	6,440	7,422
Other comprehensive income/(loss) during the period		
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	89	( 4)
Non-controlling dividend distribution	<u>( 28,980)</u>	<u>-</u>
Balance at March 31	<u>\$ 786,501</u>	<u>\$ 615,992</u>

## 24. REVENUE

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers		
Revenue from sale of goods	\$ 1,907,466	\$ 1,834,641
Revenue from rendering of services	1,106	889
	<u>\$ 1,908,572</u>	<u>\$ 1,835,530</u>

### a. Contract balances

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>	<b>January 1, 2023</b>
Notes and accounts receivable (Including related parties)	<u>\$ 1,977,251</u>	<u>\$ 2,172,345</u>	<u>\$ 1,891,059</u>	<u>\$ 1,983,282</u>
Contract assets - current				
Sale of goods	\$ 772	\$ 1,850	\$ 7,675	\$ 7,744
Less: Allowance for impairment loss	154	370	1,535	1,549
	<u>\$ 618</u>	<u>\$ 1,480</u>	<u>\$ 6,140</u>	<u>\$ 6,195</u>
Contract liabilities - current				
Sale of goods	<u>\$ 3,689</u>	<u>\$ 2,359</u>	<u>\$ 1,890</u>	<u>\$ 2,084</u>

In accordance with the terms of the contract, the customers retain a portion of contract price and the Group recognizes the amount as contract assets before completing the contractual obligations. The Group considers the historical expected loss rates and the state of the industry in estimating expected loss.

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Expected credit loss rate	20%	20%	20%
Gross carrying amount of retention receivable	\$ 772	\$ 1,850	\$ 7,675
Allowance for impairment loss (Lifetime ECLs)	( 154)	( 370)	( 1,535)
	<u>\$ 618</u>	<u>\$ 1,480</u>	<u>\$ 6,140</u>

The movements of the loss allowance of contract assets refer to Note 11.

### b. Disaggregation of revenue

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Concrete	\$ 1,267,245	\$ 1,165,527
Cement	386,420	412,327
Gypsum board panels	244,016	246,728
Others	10,891	10,948
	<u>\$ 1,908,572</u>	<u>\$ 1,835,530</u>

## 25. PROFIT BEFORE INCOME TAX

### a. Interest income

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Bank deposits	\$ 811	\$ 945
Repurchase agreements collateralized by	2,941	106
Others	13	-
	<u>\$ 3,765</u>	<u>\$ 1,051</u>

### b. Other income

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Rental income - investment properties	\$ 5,317	\$ 4,283
Dividend income	3,801	12,118
Litigation Settlement Revenue	11,464	-
Others	7,405	2,768
	<u>\$ 27,987</u>	<u>\$ 19,169</u>

c. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Net foreign exchange gains (losses)	\$ 1,094	(\$ 358)
Gain on disposal of property, plant and	76	94
Gain (Loss) in financial assets		
Financial assets mandatorily classified as		
at FVTPL	( 1,202)	36,236
Others	4,173	( 1,453)
	<u>\$ 4,141</u>	<u>\$ 34,519</u>

d. Interest expense

	For the Three Months Ended March 31	
	2024	2023
Interest on loans	\$ 10,729	\$ 14,910
Interest on lease liabilities	750	899
	<u>\$ 11,479</u>	<u>\$ 15,809</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
Property, plant and equipment	\$ 33,507	\$ 31,250
Right-of-use assets	13,387	13,006
Investment properties	291	294
Intangible assets	1,006	890
	<u>\$ 48,191</u>	<u>\$ 45,440</u>

An analysis of depreciation - by function		
Operating costs	\$ 31,476	\$ 29,219
Operating expenses	15,418	15,037
Others (as non-operating income and expense)	291	294
	<u>\$ 47,185</u>	<u>\$ 44,550</u>

An analysis of amortization - by function		
Operating costs	\$ 174	\$ 143
Operating expenses	832	747
	<u>\$ 1,006</u>	<u>\$ 890</u>

f. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Short-term benefits	\$ 174,709	\$ 181,140
Salaries	15,943	16,179
Labor and health insurance	18,094	12,067
Others	208,746	209,386

Post-employment benefits		
Defined contribution plans	7,035	7,052
Defined benefit plans (Note 22)	39	-
	<u>7,074</u>	<u>7,052</u>
	<u>\$ 215,820</u>	<u>\$ 216,438</u>

	For the Three Months Ended March 31	
	2024	2023
An analysis of employee benefits expense - by function		
Operating costs	\$ 136,824	\$ 132,544
Operating expenses	78,996	83,894
	<u>\$ 215,820</u>	<u>\$ 216,438</u>

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. Estimated compensation of employees and remuneration of directors for the three months ended March 31, 2024 and 2023, respectively, were as follows:

Accrual rate

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	2.69%	1.65%
Remuneration of directors	2.69%	1.65%

Amount

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	\$ 8,218	\$ 5,215
Remuneration of directors	\$ 8,218	\$ 5,215

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences will be recognized in the next year as a change in accounting estimate.

The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's Board of Directors on March 15, 2024 and March 16, 2023, respectively, were as follows:

	<u>2023</u>	<u>2022</u>
	<b>Cash</b>	<b>Cash</b>
Employees' compensation	\$ 42,971	\$ 31,290
Remuneration of directors	\$ 42,971	\$ 31,290

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

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

## 26. INCOME TAX

a. Major components of tax expense recognized in profit or loss

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current period	\$ 53,628	\$ 35,814
Income tax on unappropriated	42,265	-
	<u>95,893</u>	<u>35,814</u>
Deferred tax		
In respect of the current period	611	( 681)
	<u>\$ 96,504</u>	<u>\$ 35,133</u>

b. Income tax examinations

The corporate income taxes declared by its subsidiary Huanchung Cement International Corporation, Li Yong Development Corporation, Chiayi Concrete Industrial Corporation, Tainan Concrete Industrial Corporation, Universal Investment Corporation, Universal Concrete Industrial Corporation and Kaohsiung Harbor Transport Company till the end of 2022, as well as the corporate income taxes declared by the Company and its subsidiaries Uneo Incorporated till the end of 2021 have been approved by the tax collection authority.

## 27. EARNINGS PER SHARE

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retrospectively for the issuance of bonus shares on July 29, 2023. The basic and diluted earnings per share adjusted retrospectively for the three months ended March 31, 2023 were as follows:

	Unit: NT\$ Per Share	
	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	\$ 0.42	\$ 0.41
Diluted earnings per share	\$ 0.42	\$ 0.40

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

### Net profit for the period

	For the Three Months Ended March 31	
	2024	2023
Profit for the period attributable to owners of the Corporation	\$ 248,142	\$ 272,932

### Number of shares

	Unit: Thousand shares	
	For the Three Months Ended March 31	
	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	673,217	673,217
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,372	1,242
Weighted average number of ordinary shares used in the computation of diluted earnings per share	674,589	674,459

Since the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were 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 FLOWS INFORMATION

Cash used in obtaining property, plant and equipment by the Group from January 1 to March 31 of 2024 and 2023 were as follows:

	For the Three Months Ended March 31	
	2024	2023
Increase in property, plant and equipment	\$ 72,132	\$ 31,782
Decrease in payables on equipment	9,714	7,066
Increase (decrease) in prepaid on equipment	( 19,409)	8,045
Total cash paid	\$ 62,437	\$ 46,893

## 29. CAPITAL MANAGEMENT

The Group requires significant amounts of capital to build and expand its production facilities and equipment. The Group manages its capital in a manner to ensure that it has sufficient and necessary financial resources for working capital needs, capital asset purchases, research and development activities, dividend payments, debt service requirements and other business requirements associated with its existing and future operations.

### 30. FINANCIAL INSTRUMENTS

#### a. Fair value of financial instruments that are not measured at fair value

The Group believes that the carrying amounts of financial instruments that are not measured at fair value, including cash and cash equivalents, accounts receivable, financial assets at amortized cost, short-term loans, short-term bills payable, accounts payable, long-term borrowings due within one year, and guarantee deposits received, recognized in the financial statements approximate their fair value.

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

##### 1) Fair value hierarchy

##### March 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 14,216	\$ -	\$ -	\$ 14,216
Mutual funds	403	-	-	403
Limited partnership	-	-	45,709	45,709
	<u>\$ 14,619</u>	<u>\$ -</u>	<u>\$ 45,709</u>	<u>\$ 60,328</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares	\$ 2,869,282	\$ 598,400	\$ -	\$ 3,467,682
Unlisted shares	-	-	1,550,653	1,550,653
	<u>\$ 2,869,282</u>	<u>\$ 598,400</u>	<u>\$ 1,550,653</u>	<u>\$ 5,018,335</u>

##### December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 13,578	\$ -	\$ -	\$ 13,578
Mutual funds	394	-	-	394
Limited partnership	-	-	47,558	47,558
	<u>\$ 13,972</u>	<u>\$ -</u>	<u>\$ 47,558</u>	<u>\$ 61,530</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares	\$ 2,691,567	\$ 591,800	\$ -	\$ 3,283,367
Unlisted shares	-	-	1,399,204	1,399,204
	<u>\$ 2,691,567</u>	<u>\$ 591,800</u>	<u>\$ 1,399,204</u>	<u>\$ 4,682,571</u>

##### March 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 57,154	\$ -	\$ -	\$ 57,154
Mutual funds	423	-	-	423
Limited partnership	-	-	43,733	43,733
	<u>\$ 57,577</u>	<u>\$ -</u>	<u>\$ 43,733</u>	<u>\$ 101,310</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares	\$ 2,392,367	\$ 540,950	\$ -	\$ 2,933,317
Unlisted shares	-	-	1,982,532	1,982,532
	<u>\$ 2,392,367</u>	<u>\$ 540,950</u>	<u>\$ 1,982,532</u>	<u>\$ 4,915,849</u>

There were no transfers between Level 1 and 2 for the three months ended March 31, 2024 and 2023.

2) Adjustments for financial instruments measured using level 3 fair value

**For the Three Months Ended March 31,2024**

	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive</b>	<b>Total</b>
Balance at January 1	\$ 47,558	\$ 1,399,204	\$ 1,446,762
Recognized in income(other gains and losses)	( 1,849)	-	( 1,849)
Recognized in other comprehensive income (unrealized valuation gain or loss on financial assets at fair value through other comprehensive income)	-	151,449	151,449
Balance at March 31	<u>\$ 45,709</u>	<u>\$ 1,550,653</u>	<u>\$ 1,596,362</u>

**For the Three Months Ended March 31,2023**

	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through other comprehensive</b>	<b>Total</b>
Balance at January 1	\$ 43,733	\$ 1,890,604	\$ 1,934,337
Recognized in other comprehensive income (unrealized valuation gain or loss on financial assets at fair value through other comprehensive income)	-	91,928	91,928
Balance at March 31	<u>\$ 43,733</u>	<u>\$ 1,982,532</u>	<u>\$ 2,026,265</u>

3) Input and measurement technique of Level 2 fair value measurement.

**Category of financial instrument**

**Measurement technique and input value**

Investment of Equity Instrument	Purchase of stock via private offering which is subject to a three-year-lock-up period. In light of the impact on the target to be measured due to the restriction of transaction, a discount is imposed to reflect the restricted liquidity of the stock. The target to be measured is the stock of a public listed company. The Closing price at the day of measurement was adopted as the fair value of an unrestricted stock price. The fair value of the restricted stock price is then derived via the Black-Scholes model.
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4) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) The fair values of unlisted equity securities in ROC was estimated by the marketing valuation method. This method is based on the industry category, evaluation and operations of similar companies, or the net equity of the companies.
- b) Limited partnership was estimated based on the net equity.

c. Categories of financial instruments

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
<b><u>Financial assets</u></b>			
Measured at fair value through profit or loss – mandatory measured at fair value through profit or loss	\$ 60,328	\$ 61,530	\$ 101,310
Financial assets at amortized cost (Note 1)	3,259,234	3,735,589	2,852,136
Financial assets at FVTOCI – Equity instruments	5,018,335	4,682,571	4,915,849
<b><u>Financial liabilities</u></b>			
Financial liabilities at amortized cost (Note 2)	3,275,300	3,854,172	4,318,879

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, net accounts receivable (including related parties), other receivables, and financial assets at amortized cost (current and non-current).

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable (including related parties), other payables, long-term borrowings due within one year and bonds payable and guarantee deposits received.

#### d. Financial Risk Management Objectives and Policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payables, loans and lease liabilities. The financial management department of the Group provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and other price risk), credit risk and liquidity risk.

##### 1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in interest rate risk (see (a) below) and other price risk (see (b) below).

##### a) Interest rate risk

The Group was exposed to interest rate risk arising from short-term borrowing at New Taiwan dollar (NTD) market rates of overweight interest rates. Due to lower NTD borrowing rates and small borrowing position, the interest rate sensitivity is lower, and the interest rate risk is little risk to the Company.

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:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Fair value interest rate risk			
Financial assets	\$ 824,802	\$ 1,248,308	\$ 469,158
Financial liabilities	386,387	504,662	1,006,443
Cash flow interest rate risk			
Financial assets	416,297	283,200	416,738
Financial liabilities	1,900,000	2,200,000	2,481,000

##### b) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and mutual funds. The Group manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk was mainly concentrated on equity instruments operating in shares and open-end mutual funds quoted in the Taiwan Stock Exchange. In addition, the Group will evaluate the price by the closing price of the equity investments and the net asset value of the fund every month.

##### Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices of domestic listed equity securities(excluding private placement), which was hold by the Group calculated by \$ 2,869,282 thousand and \$ 2,392,367 thousand, had been 1% higher/lower, the pre-tax other comprehensive income for the three months ended March 31 in 2024 and 2023 would have increased/decreased by \$ 28,693 thousand and \$ 23,924 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

##### 2) Credit risk

Financial assets are exposed to the potential effects of outstanding contracts between the Group and its counterparty or other parties. Such effects include the credit risk concentration, components, contractual amounts, and other receivables of financial products engaged by the Group.

As at the end of the reporting period, the Group's maximum exposure to credit risk is due to the failure of counterparties to discharge an obligation, which is from the carrying amount of financial assets are recognized from consolidated financial reports.

In addition to the following paragraph, the main customers of its credit are good, and the Group will regularly annually review the customer's credit status, appropriately adjust the credit line, and will require customers to provide the necessary guarantees or trade by cash in special situations. The sales department understands the customer's credit status through external peer visits. The customers mentioned above, had no significant credit risk exposure.

Part of the concrete customers of the Group are individuals and small-scale enterprises, except for a few large customers are concrete construction companies, industry characteristics resulting in some small-scale enterprises. In addition to using credit limit controls to reduce credit risks and the relevant proceedings to protect their claims, the Group has set adequate allowance for bad debts for higher credit risk customers in accordance with company policy. The credit risk arising from its maximum possible amount is disclosed in the Note 11.

The Group has no significant concentration of credit risk.

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents 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.

#### a) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed 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 can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

#### March 31, 2024

	<u>On Demand or Less than 3 Month</u>	<u>3 Months to 1 Year</u>	<u>1 Year to 5 Year</u>	<u>6 Year to 10 Year</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,194,870	\$ -	\$ 10,603	\$ -
Lease liabilities	14,043	41,248	142,028	24,753
Variable interest rate liabilities	1,605,857	302,161	-	-
Fixed interest rate liabilities	170,000	-	-	-
	<u>\$ 2,984,770</u>	<u>\$ 343,409</u>	<u>\$ 152,631</u>	<u>\$ 24,753</u>

#### December 31, 2023

	<u>On Demand or Less than 3 Month</u>	<u>3 Months to 1 Year</u>	<u>1 Year to 5 Year</u>	<u>6 Year to 10 Year</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,367,804	\$ -	\$ 11,583	\$ -
Lease liabilities	13,867	40,942	146,472	28,992
Variable interest rate liabilities	1,986,757	223,213	-	-
Fixed interest rate liabilities	275,000	-	-	-
	<u>\$ 3,643,428</u>	<u>\$ 264,155</u>	<u>\$ 158,055</u>	<u>\$ 28,992</u>

#### March 31, 2023

	<u>On Demand or Less than 3 Month</u>	<u>3 Months to 1 Year</u>	<u>1 Year to 5 Year</u>	<u>6 Year to 10 Year</u>
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,080,022	\$ -	\$ 9,349	\$ -
Lease liabilities	13,679	40,366	166,251	46,864
Variable interest rate liabilities	1,908,168	586,274	-	-
Fixed interest rate liabilities	750,000	-	-	-
	<u>\$ 3,751,869</u>	<u>\$ 626,640</u>	<u>\$ 175,600</u>	<u>\$ 46,864</u>

The amount included above for variable interest rate instruments for both non-derivative financial assets and liabilities was subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

#### b) Financing facilities

Loan is an important resource of liquidity

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
The short-term unsecured line of credit	4,765,615	4,258,876	4,032,335

### 31. TRANSACTIONS WITH RELATED PARTIES

Transactions, balance, income and expenses between the Corporation and subsidiaries (related parties of the Corporation) had been eliminated on consolidation and are not disclosed in this note. Except as disclosed in other notes, details of transactions between the Group and other related parties are disclosed below.

a. Name and relationship of related party

<u>Related Party Name</u>	<u>Relationships of the Group</u>
CHC Resources Corp.	The Group acts as key management
Universal Construction Corp.	The Group acts as key management
Sheng Yuan Investment Co., Ltd.	The key management of the Group
Bo-Chih Investment Co., Ltd.	The key management of the Group (a)
Yu-Sheng Investment Co., Ltd.	The key management of the Group
Pan Asia Corp.	The Group acts as juristic supervisor
PAO GOOD INDUSTRIAL CO., LTD.	Other related parties

a) The chairman of our company since June 2023.

b. Sales of goods

<u>Account Items</u>	<u>Related Parties Category</u>	<u>For the Three Months Ended March 31</u>	
		<u>2024</u>	<u>2023</u>
Sales revenue	The Group acts as key management	\$ 23,615	\$ 29,549
	Other related parties	20,883	35,393
		<u>\$ 44,498</u>	<u>\$ 64,942</u>

The prices and terms to related parties were not significantly different from transactions with third parties. The credit terms were 1-3 months.

c. Purchase of goods

<u>Related Parties Category</u>	<u>For the Three Months Ended March 31</u>	
	<u>2024</u>	<u>2023</u>
The Group acts as key management	\$ 77,843	\$ 72,926
Other related parties	2,219	2,221
	<u>\$ 80,062</u>	<u>\$ 75,147</u>

The purchased of goods are mainly blast furnace slag and fly ash. The prices and terms to related parties were not significantly different from transaction with third parties. The credit terms were 30-65 days.

d. Contract assets (In the other current assets ) - March 31, 2023

<u>Related Party Category / Name</u>	<u>Amount</u>
Other related parties	
Pan Asia Corp.	\$ 5,546
Less: Allowance for impairment loss	1,109
	<u>\$ 4,437</u>

e. Receivables from related parties (Excluding contract assets)

<u>Account Items</u>	<u>Related Parties Category / Name</u>	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
		<u>2024</u>	<u>2023</u>	<u>2023</u>
Accounts receivable - related parties	Other related parties			
	Pan Asia Corp.	\$ 29,059	\$ 47,430	\$ 21,485
	The Group acts as key management	9,826	11,422	14,492
	Less: Allowance for impairment loss	71	102	45
		<u>\$ 38,814</u>	<u>\$ 58,750</u>	<u>\$ 35,932</u>

The outstanding receivables from related parties are unsecured.

f. Payables to related parties

<u>Account Items</u>	<u>Related Parties Category / Name</u>	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>
		<u>2024</u>	<u>2023</u>	<u>2023</u>
Accounts payable - related parties	The Group acts as key management	\$ 29,073	\$ 32,250	\$ 23,803
	Other related parties	3,096	1,809	2,288
		<u>\$ 32,169</u>	<u>\$ 34,059</u>	<u>\$ 26,091</u>

The outstanding accounts payables from related parties are unsecured and would be paid in cash.

g. Lease arrangements - Group is lessor

The Group leased its office building to related parties under operating leases for a term of 1-2 years. The rental prices are determined with reference to the market standards and charged on a monthly basis.

Total lease payment to be collected in the future is summarized as follows:

<b>Related Party Category</b>	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
The Group acts as key management	\$ 1,833	\$ 3,207	\$ 1,833
The key management of the Group	34	46	120
The chairman of our company	17	23	-
	\$ 1,884	\$ 3,276	\$ 1,953

Total lease revenue is summarized as follows:

<b>Related Party Category</b>	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
The Group acts as key management	\$ 1,374	\$ 1,374
The key management of the Group	11	17
The chairman of our company	6	-
	\$ 1,391	\$ 1,391

h. Compensation of key management personnel

	<b>For the Three Months Ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 12,471	\$ 11,816
Post-employment benefits	296	216
	\$ 12,767	\$ 12,032

The remuneration of directors and key executives was determined by the remuneration committee according to the performance of individuals and market trends.

### 32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for engineering performance bonds.

	<b>Carrying Amount</b>		
	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Pledged time deposits			
Current	\$ 67	\$ 67	\$ 67
Non-current	8,010	8,010	5,510
	\$ 8,077	\$ 8,077	\$ 5,577

### 33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group on the date of balance sheets were as follows:

a. Unrecognized commitments are as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Acquisition of property, plant and equipment	\$ 62,189	\$ 70,912	\$ 73,432

b. The promissory notes are as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
These notes were provided as engineering performance bonds, which could be refunded when the guarantee is terminated	\$ 112,578	\$ 115,806	\$ 191,550

c. Unused letters of credit are as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Unused letters of credit for purchase of raw materials	\$ 24,385	\$ 26,124	\$ 36,665

### 34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than Group's individual functional currency and the exchange rates between foreign currencies and respective functional currency were disclosed. The significant financial assets and liabilities denominated in foreign currencies are as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

March 31, 2024

Financial Assets	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 497	32	\$ 15,912
RMB	916	4.408	4,036

December 31, 2023

Financial Assets	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 1,007	30.705	\$ 30,935
RMB	916	4.33	3,962
EUR	97	33.98	3,295

March 31, 2023

Financial Assets	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Monetary items</u>			
USD	\$ 1,519	30.45	\$ 46,258
RMB	903	4.431	4,000

The foreign currency risk of the Group is mainly exposed to USD. The following information was aggregated by the foreign currencies other than Group's individual functional currency and the exchange rates between foreign currencies and respective functional currency were disclosed. The exchange rate gains and losses of foreign currencies with significance (including realized and non-realized) are summarized as follows:

Functional Currencies	Exchange Rate	For the Three Months Ended March 31	
		2024	2023
		Net Foreign Exchange Gain	Net Foreign Exchange Loss
NTD	1(NTD:NTD)	\$ 1,094	1 (NTD:NTD) (\$ 358)

### 35. 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 investment in subsidiaries and associates). (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$ 300 million or 20% of the paid-in capital. (N/A)
- 5) Acquisition of individual real estate at cost of at least NT\$ 300 million or 20% of the paid-in capital. (N/A)
- 6) Disposal of individual real estate at a price of at least NT\$ 300 million or 20% of the paid-in capital. (N/A)
- 7) Total purchases from or sales to related parties amounting to at least NT\$ 100 million or 20% of the paid-in capital. (N/A)
- 8) Receivables from related parties amounting to at least NT\$ 100 million or 20% of the paid-in capital. (N/A)
- 9) Trading in derivative instruments. (N/A)
- 10) Intercompany relationships and significant intercompany transactions. (Table 5)

b. Related information on investees. (Table 4)

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 or loss of investee and investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment from the mainland China area. (N/A)

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: (N/A)

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

c) The amount of property transactions and the amount of the resultant gains or losses: (N/A)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: (N/A)

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: (N/A)

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: (N/A)

d. Information on major shareholders: name, number and percentage of shareholding of shareholders with ownership achieving 5% and above. (Table 6)

### 36. SEGMENT INFORMATION

#### a. Operating segments information

The identification of reportable departments is based on the operation and management model of the Group management. Based on product categories, the identification is divided into departments such as building materials business and asset management center-provide information to key operating decision-makers for allocating resources and evaluating segment performance.

The Group's reportable segments are as follows:

1) Building materials segment - manufacture and sell of cement, concrete and gypsum board and research segment.

2) Others - mainly the management segment of reinvested companies and segments that are not part of the building materials segment.

#### b. Segment revenues and operating results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

##### For the Three Months Ended March 31, 2024

	<u>Building Materials Segment</u>	<u>Others</u>	<u>Adjustment and Elimination</u>	<u>Total</u>
Revenue from external customers	\$ 1,897,681	\$ 10,891	\$ -	\$ 1,908,572
Inter-segment revenues	7,198	-	( 7,198)	-
Total Segment revenues	<u>\$ 1,904,879</u>	<u>\$ 10,891</u>	<u>(\$ 7,198)</u>	<u>\$ 1,908,572</u>
Segment profit and loss	<u>\$ 328,038</u>	<u>\$ 38,790</u>	<u>(\$ 4,263)</u>	<u>\$ 362,565</u>
Interest expenses				( 11,479)
Profit before income tax				<u>\$ 351,086</u>

##### For the Three Months Ended March 31, 2023

	<u>Building Materials Segment</u>	<u>Others</u>	<u>Adjustment and Elimination</u>	<u>Total</u>
Revenue from external customers	\$ 1,824,582	\$ 10,948	\$ -	\$ 1,835,530
Inter-segment revenues	6,766	-	( 6,766)	-
Total Segment revenues	<u>\$ 1,831,348</u>	<u>\$ 10,948</u>	<u>(\$ 6,766)</u>	<u>\$ 1,835,530</u>
Segment profit and loss	<u>\$ 262,637</u>	<u>\$ 123,984</u>	<u>(\$ 55,325)</u>	<u>\$ 331,296</u>
Interest expenses				( 15,809)
Profit before income tax				<u>\$ 315,487</u>

Segment income represented profit before tax earned by each segment without income tax. These amounts provide information to key operating decision-makers for allocating resources and evaluating segment performance.

The chief operating decision maker of the Group makes decisions based on the operating results of each segment, there was no information about the assessment of assets and liabilities classified through business activity performance, thence only listing revenue and results of reportable segments.

UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature for Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limits for Each Borrower (Note 2)	Aggregate Financing Limits (Note 3)
													Item	Value		
0	The Company	UCC Investment Co., Ltd.	Other receivables	Yes	\$800,000	\$800,000	\$ -	1.856	For short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$9,104,225	\$9,104,225
0	The Company	Uneo Inc.	Other receivables	Yes	100,000	100,000	-	1.856	For short-term financing	-	Operating capital	-	None	-	9,104,225	9,104,225
0	The Company	Universal RMC Industry Co., Ltd.	Other receivables	Yes	300,000	300,000	-	1.856	For short-term financing	-	Operating capital	-	Land and Plant	300,000	9,104,225	9,104,225
0	The Company	Tainan RMC Industry Co., Ltd.	Other receivables	Yes	300,000	300,000	-	1.856	For short-term financing	-	Operating capital	-	None	-	9,104,225	9,104,225
1	UCC Investment Co., Ltd.	Tainan RMC Industry Co., Ltd.	Other receivables	Yes	250,000	250,000	-	2.029	For short-term financing	-	Operating capital	-	None	-	355,622	355,622
2	Tainan RMC Industry Co., Ltd.	The Company	Other receivables	Yes	400,000	400,000	400,000	1.26	For short-term financing	-	Operating capital	-	None	-	385,255	385,255

Note 1: a: "0" is the Company.  
b: Subsidiaries are numbered from "1".

Note 2: The upper limit for each borrower is 40% of the Company's net asset value as stated in the latest financial statements; The upper limit for a subsidiary to a single enterprise is 40% of the net value of the subsidiary's most recent financial statements that have been audited (reviewed) by CPAs.

Note 3: The aggregate limit for each borrower is 40% of the Company's net asset value as stated in the latest financial statements; The aggregate limit for a subsidiary to a single enterprise is 40% of the net value of the subsidiary's most recent financial statements that have been audited (reviewed) by CPAs.

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE THREE MONTHS ENDED MARCH 31, 2024  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorser / Guarantor	Endorsee / Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed / Guaranteed During the Period	Outstanding Endorsement / Guarantee at the End of the Period (Note 6)	Actual Borrowing Amount	Amount Endorsed / Guaranteed by Collaterals	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 4, Note 5, Note 7)	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
		Name	Relationship (Note 2)										
0	The Company	Universal RMC Industry Co., Ltd.	(1)	\$ 132,329	\$ 120,000	\$ 120,000	\$ -	\$ -	1	\$ 22,760,563	Y	N	N
		UCC Investment Co., Ltd.	(1)	750,000	350,000	350,000	120,000	-	2	22,760,563	Y	N	N
		Uneo Inc.	(1)	60,000	50,000	50,000	-	-	-	22,760,563	Y	N	N
1	Kaohsiung Pier Transportation Co., Ltd.	Universal Concrete Industrial Corporation	(3)	490,729	324,592	324,592	-	-	331	981,458	N	N	N
		The Company	(2)	490,729	319,928	319,928	-	-	326	981,458	N	Y	N
2	UCC Investment Co., Ltd.	Universal RMC Industry Co., Ltd.	(3)	4,495,278	122,521	122,521	-	-	14	8,890,557	N	N	N
		The Company	(2)	4,495,278	621,553	621,553	-	-	70	8,890,557	N	Y	N
3	Universal RMC Industry Co., Ltd.	The Company	(2)	612,197	157,561	157,561	-	-	26	612,197	N	Y	N

Note 1: a: "0" is the Company.  
b: Subsidiaries are numbered from "1".

Note 2: (1) The endorser / guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed / guaranteed subsidiary.  
(2) The endorser / guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed / guaranteed company.  
(3) The endorsed / guaranteed company owns directly and indirectly more than 50% voting shares of the endorser / guarantor parent company.

Note 3: The upper limit for the Company is equivalent to the capital of the endorsee; the upper limit for subsidiaries is equivalent to the net asset value of the subsidiaries as stated in its latest financial statements except that it is five times of the net asset value of Kaohsiung Harbor Transport Company and Universal Investment Corporation.

Note 4: The upper limit for the Company is equivalent to the net asset value of the Company.

Note 5: The upper limit for the subsidiary is equivalent to the net asset value of the subsidiary as stated in its latest financial statements, unless the Company or other subsidiaries give more guarantee.

Note 6: The limits were approved by the board of directors.

Note 7: The upper limit for the subsidiary is equivalent to ten times of the net asset value of the subsidiary as stated in its latest financial statements.

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

March 31, 2024

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares/ Units	Carrying Value	Percentage of Ownership (%)	Fair Value Or Net Equity	
The Company	Listed shares							
	Prince Housing & Development Corp.	The juristic director of the Company acts as juristic director	Financial assets at FVTOCI - current	40,621,948	\$ 424,500	2.50	\$ 424,500	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	28,441,983	940,008	0.14	940,008	
	Far EasTone Telecommunications Co., Ltd.	-	Financial assets at FVTOCI - current	306,219	24,957	0.01	24,957	
	CHC Resources Co., Ltd.	The Company acts as juristic director	Financial assets at FVTOCI - current	17,020,254	1,034,831	6.85	1,034,831	
	Creative Sensor Inc.	-	Financial assets at FVTPL - current	158,000	4,645	0.11	4,645	
	Privately offered shares							
	Creative Sensor Inc.	-	Financial assets at FVTOCI - non - current	13,000,000	353,600	8.72	353,600	
	Unlisted shares							
	Grand Bills Finance Co., Ltd.	The Company acts as juristic director	Financial assets at FVTOCI - non - current	43,999,488	608,953	8.14	608,953	
	Universal Cement Development Co., Ltd.	The Company acts as juristic director	Financial assets at FVTOCI - non - current	24,864,000	657,156	16.44	657,156	
	Universal Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non - current	1,400,000	16,423	1.16	16,423	
	CTBC Investments Corp.	-	Financial assets at FVTOCI - non - current	1,981,995	78,618	1.05	78,618	
	Kaohsiung Rapid Transit Corp.	-	Financial assets at FVTOCI - non - current	1,286,063	12,456	0.46	12,456	
Jie-Ho Development Co., Ltd.	-	Financial assets at FVTOCI - non - current	171,131	-	0.16	-		
Huan Rong Hsin Resource Technology Corp.	-	Financial assets at FVTOCI - non - current	600,000	-	30.00	-		
UCC Investment Co., Ltd.	Mutual funds							
	Cathay No. 2 Real Estate Investment Trust	-	Financial assets at FVTPL - current	24,000	403	-	403	
	Listed shares							
	Prince Housing & Development Corp.	The juristic director of the Company acts as juristic director	Financial assets at FVTOCI - current	42,375,900	442,828	2.61	442,828	
	Tainan Spinning Co., Ltd.	The juristic director of the Company acts as juristic director	Financial assets at FVTOCI - current	55	1	-	1	
	Teco Image Systems Co., Ltd.	-	Financial assets at FVTPL - current	523,000	9,571	0.46	9,571	
	Privately offered shares							
	Creative Sensor Inc.	-	Financial assets at FVTOCI - non - current	9,000,000	244,800	6.04	244,800	
	Unlisted shares							
	Pan Asia (Engineers & Constructors) Corp.	Subsidiary of the Company acts as juristic supervisor	Financial assets at FVTOCI - non-current	3,102,803	125,881	2.71	125,881	
	Darzhen Venture Corp.	Representative of the juristic director of the Company acts as director	Financial assets at FVTOCI - non-current	673,200	11,339	8.06	11,339	
Darchan Venture Corp.	Representative of the juristic director of the Company acts as supervisor	Financial assets at FVTOCI - non-current	4,000,000	39,827	3.64	39,827		
Limited partnership								
Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FVTPL - non-current	-	45,709	3.23	45,709		
Tainan RMC Industry Co., Ltd.	Listed shares							
	CTBC Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	60,000	1,983	-	1,983	
	preferred stock C of CTBC Financial Holding Co., L	-	Financial assets at FVTOCI - current	2,987	174	-	174	

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2024			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				March 31, 2024	March 31, 2023	Shares	Percentage of Ownership	Carrying Amount			
The Company	Huan-Chung International Co., Ltd.	Taichung city	Import, export, and sale of cement, cement material, fuel, and production	\$ 69,993	\$ 69,993	6,999,333	69.99	\$ 122,726	\$ 7,382	\$ 5,167	
	Chiayi RMC Industry Co., Ltd.	Chiayi County	Manufacturing and marketing of ready-mixed concrete	22,643	22,643	2,252,378	86.63	41,938	874	757	
	Kaohsiung Pier Transportation Co., Ltd.	Kaohsiung city	Trucking operation	74,580	74,580	7,560,000	100.00	96,170	( 363)	( 363)	
	UCC Investment Co., Ltd.	Taipei city	Investment activities	650,000	650,000	75,000,000	100.00	888,363	1,568	1,568	
	Universal RMC Industry Co., Ltd.	Taichung city	Manufacturing and marketing of ready-mixed concrete and gravel	33,887	33,887	7,698,963	58.18	361,012	37,253	21,998	
	Uneo Inc.	Taipei city	Marketing of electronic Products	291,671	291,671	6,000,000	100.00	17,147	( 1,793)	( 1,793)	
	Li-Yong Development Co., Ltd.	Taipei city	Investment activities, trading for real estate and leasing business	20,000	20,000	2,000,000	100.00	19,282	-	-	
	Lioho Machine Works Ltd.	Taoyuan city	Manufacturing and marketing of metal parts and automotive components	174,997	174,997	89,581,468	29.86	11,233,119	269,573	80,495	
	Tainan RMC Industry Co., Ltd.	Tainan city	Manufacturing and marketing of ready-mixed concrete and cement material	238,180	238,180	2,023,624	67.45	1,003,309	( 34,494)	( 23,449)	
UCC Investment Co., Ltd.	Universal RMC Industry Co., Ltd.	Taichung city	Manufacturing and marketing of ready-mixed concrete and gravel	858	858	115,494	0.87	858			
	Chiayi RMC Industry Co., Ltd.	Chiayi County	Manufacturing and marketing of ready-mixed concrete	5	5	361	0.01	5			
	Huan-Chung International Co., Ltd.	Taichung city	Import, export, and sale of cement, cement material, fuel, and production	13	13	667	0.01	13			
	Tainan RMC Industry Co., Ltd.	Tainan city	Manufacturing and marketing of ready-mixed concrete and cement material	178	178	10,000	0.33	178			
	Lioho Machine Works Ltd.	Taoyuan city	Manufacturing and marketing of metal parts and automotive components	93	93	1,680	-	93			

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

## INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Amounts In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	The Company	Kaohsiung Pier Transportation Co., Ltd.	(1)	Freight expense	\$ 71,962	The prices to related parties were not significantly different from those to third parties. Credit terms were 45 to 60 days after acceptance.	4
		Kaohsiung Pier Transportation Co., Ltd.	(1)	Accounts payable	16,459	The prices to related parties were not significantly different from those to third parties. Credit terms were 45 to 60 days after acceptance.	-
		Kaohsiung Pier Transportation Co., Ltd.	(1)	Other payables	13,452	The prices to related parties were not significantly different from those to third parties. Credit terms were 45 to 60 days after acceptance.	-
		Uneo Inc.	(1)	Sales revenue	7,198	The sales prices have no comparison with those from third parties, net 60 days after shipment.	-
		Uneo Inc.	(1)	Accounts receivable	4,126	The sales prices have no comparison with those from third parties, net 60 days after shipment.	-
		Tainan RMC Industry Co., Ltd.	(1)	Other payables	400,000	Financing provided	1
		Tainan RMC Industry Co., Ltd.	(1)	Interest expense	276	Charged at an annual interest rate of 1.26%	-
1	Huan-Chung International Co., Ltd.	Universal RMC Industry Co., Ltd.	(3)	Sales revenue	31,543	The prices and terms to related parties were not significantly different from transactions with third parties. The credit terms were 90 to 120 days after shipment.	2
		Universal RMC Industry Co., Ltd.	(3)	Accounts receivable	33,493	The prices and terms to related parties were not significantly different from transactions with third parties. The credit terms were 90 to 120 days after shipment.	-

Note 1: The transaction relationships with the counterparties are as follows:

No. 1: Represents transactions from parent Company to subsidiary.

No. 2: Represents transactions from the subsidiary to the parent Company.

No. 3: Represents transactions among subsidiaries.

Note 2: All the transactions had been eliminated when preparing consolidated financial statements.

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

## INFORMATION ON MAJOR SHAREHOLDERS

March 31, 2024

Name of the major shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sheng Yuan Investment Co., Ltd.	67,213,485	9.98%
Yu-Sheng Investment Co., Ltd.	66,467,998	9.87%
HOU, BO-YI	52,414,898	7.78%
HSBC Custodian Pictet Investment Accounts	39,506,427	5.86%

Note 1: The information on major shareholders in the table is information related to shareholders with aggregate ownership in the Company achieving 5% and above by holding ordinary shares and special shares that completed the non-physical registration and delivery (including treasury shares), calculated by the TDCC on the last business day at the end of the quarter. The share capital stated in the consolidated financial report of the Company may differ from the number of shares that completed the non-physical registration and delivery due to the differences in the basis of preparation and calculation.

Note 2: Regarding the information above, where shareholders entrust their shares with a trust, the information shall be disclosed in a separate personal account of the client in the nature of a trust account opened by the trustee. When shareholders with shareholding over 10% carrying out the insider's equity report according to laws and regulations related to securities trading, the shareholding shall include its personal shareholding, plus shares entrusted with trust and possessing the right of utilization and decision-making. For information on the insider's equity report, please refer to MOP.