

# **Universal Cement Corporation**

**Financial Statements for the  
Years Ended December 31, 2024 and 2023 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Universal Cement Corporation

### **Opinion**

We have audited the accompanying financial statements of Universal Cement Corporation (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of Taiwan, the Republic of China (ROC).

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the ROC. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's financial statements for the year ended December 31, 2024 is stated as follows:

Occurrence of sales of concrete products

Refer to Note 4 (m) and Note 23, the Company mainly manufactures and sells cement, ready mixed concrete and gypsum board panels. The sales amount of some concrete customers changed greatly in 2024 or specific characteristics. Sales is the main source of the Company's revenue and has a material impact on the Company's financial statements. Consequently, occurrence of sales of concrete products is considered as a key audit matter.

Our audit procedures in respect of the above key audit matter are described as follows:

1. We understood the design of the Company's internal controls on accounting for sales. We tested the implementation and operating effectiveness of the internal controls.
2. We selected samples from the sales records, and verified that the products and quantities listed on the delivery orders and the invoices are the same and for the same customers. We noted that the delivery orders are signed by the customers and confirmed that the payee matched the transaction counterparty.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the ROC, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with the auditing standards generally accepted in the ROC, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche  
Taipei, Taiwan

Republic of China

March 10, 2025

Notice to Readers

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

*For the convenience of readers, the auditors' report and the accompanying 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 financial statements shall prevail. The English version not audited by an accountant.*

# Universal Cement Corporation

## BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 477,598	2	\$ 187,223	1
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	8,887	-	4,661	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	2,697,892	10	2,262,037	9
Financial assets at amortized cost - current (Notes 4, 9, 10 and 32)	67	-	30,060	-
Notes receivable (Notes 4, 11 and 23)	376,047	1	387,881	1
Net Accounts receivable (Notes 4, 11 and 23)	1,110,132	4	1,209,571	5
Net Accounts receivable from related parties (Notes 4, 11, 23 and 31)	23,804	-	60,568	-
Other receivables (Notes 4 and 31)	627	-	482	-
Inventories (Notes 4 and 12)	332,499	1	335,749	1
Prepayments (Note 31)	19,076	-	10,919	-
Other current assets (Notes 11 and 23)	7,817	-	3,787	-
Total current assets	5,054,446	18	4,492,938	17
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,922,184	7	1,608,577	6
Financial assets at amortized cost - non-current (Notes 4, 9, 10 and 32)	5,858	-	7,027	-
Investments accounted for using the equity method (Notes 4 and 13)	14,252,068	51	13,398,561	51
Property, plant and equipment (Notes 4 and 14)	6,269,869	22	6,261,756	24
Right-of-use assets (Notes 4 and 15)	47,681	-	57,524	-
Investment properties (Notes 4 and 16)	633,572	2	634,139	2
Other intangible assets (Notes 4 and 17)	8,064	-	10,183	-
Deferred tax assets (Notes 4 and 25)	10,558	-	13,880	-
Prepayments for equipment	26,427	-	45,458	-
Net defined benefit assets (Notes 4 and 21)	-	-	6,697	-
Total non-current assets	23,176,281	82	22,043,802	83
TOTAL	\$ 28,230,727	\$ 100	\$ 26,536,740	\$ 100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	\$ 2,100,000	8	\$ 1,610,000	6
Short-term bills payable (Notes 4 and 18)	-	-	234,887	1
Contract liabilities - current (Notes 4 and 23)	408	-	530	-
Accounts Payable (Note 19)	524,434	2	637,988	2
Accounts Payable to related parties (Notes 19 and 31)	14,301	-	41,543	-
Other payables (Notes 20 and 31)	652,110	2	343,853	1
Current tax liabilities (Note 25)	116,953	-	121,251	1
Lease liabilities - current (Notes 4, 15 and 31)	11,335	-	11,760	-
Long-term borrowings due within one year (Note 18)	-	-	500,000	2
Other current liabilities (Note 20)	27,612	-	20,949	-
Total current liabilities	3,447,153	12	3,522,761	13
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 25)	1,081,596	4	1,088,374	4
Lease liabilities - non-current (Notes 4, 15 and 31)	37,202	-	46,306	1
Guarantee deposits received	8,020	-	10,117	-
Total non-current liabilities	1,126,818	4	1,144,797	5
Total liabilities	4,573,971	16	4,667,558	18
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Capital stock - common stock	6,866,818	24	6,732,175	25
Capital surplus	122,786	1	123,719	-
Retained earnings				
Legal reserve	3,130,978	11	2,920,126	11
Special reserve	3,185,793	11	3,185,793	12
Unappropriated earnings	8,042,060	29	8,099,817	31
Total retained earnings	14,358,831	51	14,205,736	54
Other equity	2,308,321	8	807,552	3
Total equity	23,656,756	84	21,869,182	82
TOTAL	\$ 28,230,727	100	\$ 26,536,740	100

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

# Universal Cement Corporation

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 31)	\$ 6,139,433	100	\$ 6,007,860	100
OPERATING COSTS (Notes 12, 21, 24 and 31)	4,815,367	78	4,721,870	79
GROSS PROFIT	1,324,066	22	1,285,990	21
OPERATING EXPENSES (Notes 21, 24 and 31)				
Selling and marketing expenses	122,601	2	145,489	2
General and administrative expenses	233,506	4	240,303	4
Research and development expenses	65,697	1	63,498	1
Expected credit loss (gain)	( 1,464)	-	( 6,377)	-
Total operating expenses	420,340	7	442,913	7
PROFIT FROM OPERATIONS	903,726	15	843,077	14
NON-OPERATING INCOME AND EXPENSES(Notes 13, 24 and 31)				
Interest income	2,004	-	5,033	-
Other income	229,215	4	218,605	4
Other gains and losses	17,205	-	( 117,059)	( 2)
Interest expenses	( 40,564)	( 1)	( 48,582)	( 1)
Share of profit or loss of associates accounted for using the equity method	562,971	9	1,394,594	23
Total non-operating income and expenses	770,831	12	1,452,591	24
INCOME BEFORE INCOME TAX	1,674,557	27	2,295,668	38
INCOME TAX EXPENSE (Notes 4 and 25)	192,270	3	187,910	3
NET INCOME FOR THE YEAR	1,482,287	24	2,107,758	35
OTHER COMPREHENSIVE INCOME (Note 22)				
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	762,462	13	( 62,751)	( 1)
Share of the other comprehensive income or loss of associates accounted for using the equity method	249,728	4	96,481	2
	1,012,190	17	33,730	1
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	505,821	8	( 210,016)	( 4)
Other comprehensive income for the year, net of income tax	1,518,011	25	( 176,286)	( 3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 3,000,298	49	\$ 1,931,472	32
EARNINGS PER SHARE (Note 26)				
Basic	\$ 2.16		\$ 3.07	
Diluted	2.15		3.06	

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

## Universal Cement Corporation

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Equity Attributable to Owners of the Company												
	Capital Stock - Common Stock	Capital Surplus	Retained Earnings			Other Equity						Total	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain on Assets at Fair Value Through Other Comprehensive Income	Financial	Remeasurement of Defined Benefit Plans	other			
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		
Appropriation of 2022 earnings (Note 22)													
Legal reserve	-	-	204,243	-	( 204,243)	-	-	-	-	-	-	-	
Cash dividends distributed by the Company - NTS 1.5 per share	-	-	-	-	( 980,414)	-	-	-	-	-	( 980,414)	-	
Stock dividends distributed by the Company - NTS 0.3 per share	196,083	-	-	-	( 196,083)	-	-	-	-	-	-	-	
Differences between the actual equity value of subsidiaries acquired and its carrying amounts. (Note 27)	-	221	-	-	-	-	-	-	-	-	-	221	
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	1,620	-	( 1,620)	-	-	( 1,620)	-	-	
Changes in recognition of associates accounted for using the equity method	-	-	-	-	( 859)	-	859	-	-	859	-	-	
Overdue dividends not collected by shareholders	-	( 1)	-	-	-	-	-	-	-	-	( 1)	-	
Net profit for the year ended December 31, 2023	-	-	-	-	2,107,758	-	-	-	-	-	2,107,758		
Other comprehensive income (loss), net of income tax	-	-	-	-	-	210,016	31,870	1,860	-	( 176,286)	( 176,286)		
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	2,107,758	-	210,016	31,870	1,860	-	( 176,286)	1,931,472	
BALANCE AT DECEMBER 31, 2023	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		
Appropriation of 2023 earnings (Note 22)													
Legal reserve	-	-	210,852	-	( 210,852)								
Cash dividends distributed by the Company - NTS 1.8 per share	-	-	-	-	( 1,211,791)					-	( 1,211,791)		
Stock dividends distributed by the Company - NTS 0.2 per share	134,643	-	-	-	( 134,643)					-			
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts. (Note 27)	-	( 926)	-	-	-	-	-	-	-	-	( 926)		
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	17,242	-	( 17,242)	-	-	( 17,242)	-		
Overdue dividends not collected by shareholders	-	( 7)	-	-	-	-	-	-	-	-	-	7	
Net income for the year ended December 31, 2024	-	-	-	-	1,482,287	-	-	-	-	-	1,482,287		
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	505,821	1,001,677	10,513	-	1,518,011	1,518,011		
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,482,287	505,821	1,001,677	10,513	-	1,518,011	3,000,298		
BALANCE AT DECEMBER 31, 2024	\$ 6,866,818	\$ 122,786	\$ 3,130,978	\$ 3,185,793	\$ 8,042,060	(\$ 503,671)	\$ 2,727,442	\$ 101,767	(\$ 17,217)	\$ 2,308,321	\$ 23,656,756		

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



# Universal Cement Corporation

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,674,557	\$ 2,295,668
Adjustments for:		
Depreciation expenses	160,064	126,467
Amortization expenses	3,578	3,626
Expected credit gain recognized	( 1,464)	( 6,377)
Interest expenses	40,564	48,582
Interest income	( 2,004)	( 5,033)
Dividend income	( 190,716)	( 178,687)
Share of profit of associates accounted for using the equity method	( 562,971)	( 1,394,594)
Net gain on disposal of property, plant and equipment	( 9,879)	( 525)
Net gain on fair value changes of financial assets designated as at fair value through profit or loss	( 4,384)	( 721)
Impairment losses on assets	-	116,111
Changes in operating assets and liabilities		
Notes receivable	11,834	12,017
Accounts receivable (Including related parties)	137,502	( 3,421)
Other receivables	( 145)	880
Inventories	3,250	( 30,879)
Prepayments	( 8,157)	8,643
Other current assets	( 3,865)	7,494
Contract liabilities	( 122)	290
Notes payable	-	( 30)
Accounts payable (Including related parties)	( 140,796)	22,490
Other payables	37,706	26,036
Other current liabilities	6,663	( 725)
Net defined benefit plan	6,697	-
Cash generated from operations	1,157,912	1,047,312
Interest received	2,004	5,033
Dividends received	748,118	690,755
Income tax paid	( 200,024)	( 182,537)
Net cash generated from operating activities	1,708,010	1,560,563

(Continued)

# Universal Cement Corporation

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the capital reduction of financial assets at fair value through other comprehensive income	\$ 13,000	\$ 13,213
Increase in financial assets at amortized cost	( 35,446)	( 32,543)
Decrease in financial assets at amortized cost	66,608	180
Proceeds from sale of financial assets at fair value through profit or loss	-	3,595
Proceeds from the capital reduction of financial assets at fair value through profit or loss	158	-
Payments for property, plant and equipment	( 147,645)	( 180,337)
Proceeds from disposal of property, plant and equipment	11,570	686
Payments for intangible assets	( 1,459)	( 2,485)
Decrease in other receivables	-	220,500
Net cash generated from /(used in) investing activities	( 93,214)	22,809
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (Decrease) in short-term loans	490,000	( 600,000)
Decrease in short-term bills payable	(235,000)	( 565,000)
Increase in long-term loans	-	500,000
Repayment of long-term loans	(500,000)	-
Proceeds from guarantee deposits received	59	2,160
Refund of guarantee deposits received	(2,156)	( 405)
Increase in other payables to related parties	280,000	-
Repayment of the principal portion of lease liabilities	(12,025)	( 10,902)
Cash dividends paid	(1,211,791)	( 980,414)
Acquisition of additional interests in subsidiaries	(93,315)	(113)
Interest Paid	(40,193)	(47,492)
Net cash used in financing activities	( 1,324,421)	( 1,702,166)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	290,375	( 118,794)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	187,223	306,017
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 477,598</u>	<u>\$ 187,223</u>

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

(Concluded)

# Universal Cement Corporation

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 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 financial statements are presented in the Company's functional currency, New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Company's board of directors on March 10, 2025.

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

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

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

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after

January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

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

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

#### IFRS 18 "Presentation and Disclosure 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 discontinued 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 Company 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 Companies 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 Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company 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 Company as a whole, the Company 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.

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

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

a. Statement of compliance

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

b. Basis of preparation

The 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, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing its financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in its financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates and related equity items, as appropriate, in these financial statements.

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

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and

- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Company 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.

d. Foreign currencies

In preparing the financial statements of each individual Company entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

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

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

For the purpose of presenting financial statements, the functional currencies of the Company entities (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

e. Inventories

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

f. Investments in subsidiaries

Equity method is adopted for investments in subsidiaries.

A subsidiary is an entity in which that the Company has control.

Under the equity method, the investments are initially recognized at costs, and the subsequent carrying amount upon acquisition shall increase/decrease according to the share of profit or loss from subsidiaries and other comprehensive income, and profit allocation entitled to the Company. In addition, changes in other interests in subsidiaries entitled to the Company are recognized according to the shareholding.

Changes in the Company's ownership interests in subsidiaries not resulting in the loss of control are accounted for as equity transactions. The differences between the carrying amount of investments and the fair value of the paid or received consideration are directly recognized as equity.

Where the Company's share of loss from a subsidiary equal to or exceeds the interests in the subsidiary (including the carrying amount of the subsidiary using equity method and other long-term interests substantially are a part of net investments of the Company in the subsidiary), the Company continues to recognize losses according to the shareholding.

Where the acquisition costs exceed the share of net fair value of the subsidiary's identifiable assets and liabilities entitled to the Company on the date of acquisition, such amount is recognized as goodwill. Goodwill is included in the carrying amount of such investments and shall not be amortized. The exceeding amount of the share of net fair value of the subsidiary's identifiable assets and liabilities entitled to the Company on the date of acquisition to the acquisition costs is recognized as gains of the year.

For impairment evaluation, the Company considers cash-generating units (the "CGUs") and compares its recoverable amount based on the individual financial report, as a whole. Subsequently, where the recoverable amount of the assets increases, the Company recognizes the reversal of impairment loss as gains. However, the carrying amount of the assets less the reversal of impairment loss shall not exceed the carrying amount of the asset less the amortization should have been recognized under the condition where no impairment loss is recognized.

When losing control over a subsidiary, the Company measure its remaining investments in its former subsidiary based on the fair value on the date when control is lost. The differences between the fair value of the remaining investments and any consideration from disposals, and the carrying amount of the investment on the date when control is lost are recognized in profit or loss for the year. Furthermore, the accounting for all amounts related to the subsidiary that is recognized in other comprehensive income shall be on the basis required for the Company in direct disposals of assets or liabilities.

The unrealized gain or loss from downstream transactions between the Company and its subsidiaries is written off in the individual financial report. Gain or loss from upstream and side stream transactions between the Company and its subsidiaries are recognized in the individual financial report, to the extent where the Company is not related to the interests of subsidiaries.

g. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

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

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus – changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When a Corporation entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent that interests in the associate are not related to the Company.

#### h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation on property, plant and equipment is recognized using the straight-line method. Each



significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of the property for subsequent accounting is its carrying amount at the end of owner-occupation.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, investment properties, right-of-use assets and intangible assets

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

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

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

recognized in profit or loss.

## 1. Financial instruments

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

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

### 1) Financial assets

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

#### a) Measurement category

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

##### i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with dividends or interest and any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

##### ii. Financial assets at amortized cost

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

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

### iii. Investments in equity instruments at FVTOCI

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

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

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

### b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), as well as contract assets.

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

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

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

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. When a financial asset is more than 365 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

Equity instruments issued by a Corporation entity are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

Equity instruments issued by a Corporation entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

m. Revenue recognition

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

Revenue from the sale of goods comes from sales of cement, ready mixed concrete and gypsum board panels. Sales of cement, ready mixed concrete and gypsum board panels are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable and contract assets are recognized concurrently. Certain payments, which are retained by the customer as specified in the contract, are intended to ensure that the Company adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Company satisfies its performance obligations. When the customer initially purchases cement, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

n. Leases

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

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. The Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

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

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

p. Taxation

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

1) Current tax

The Company determines its current income (loss) according to the regulations established by the jurisdictions of the tax return to calculate its income tax payable (recoverable).

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

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

2) Deferred tax

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

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

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

temporary differences and they are expected to reverse in the foreseeable future.

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

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

### 3) Current and deferred taxes

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

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

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

Based on the assessment of the Company's management, the accounting policies, estimates, and assumptions adopted by the Company has not been subject to material accounting judgements, estimates and assumptions uncertainty.

## 6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand and petty cash	\$ 313	\$ 321
Checking accounts and demand deposits	477,285	186,902
	<u>\$ 477,598</u>	<u>\$ 187,223</u>

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

	December 31	
	2024	2023
<u>Financial assets - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Listed shares	\$ 8,887	\$ 4,661
	<u>\$ 8,887</u>	<u>\$ 4,661</u>

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

	December 31	
	2024	2023
<u>Investments in equity instruments at FVTOCI - Current</u>		
Domestic investments		
Listed shares	\$ 2,697,892	\$ 2,262,037
	<u>\$ 2,697,892</u>	<u>\$ 2,262,037</u>
<u>Investments in equity instruments at FVTOCI - Non-current</u>		
Domestic investments		
Listed private equity	\$ 592,020	\$ 349,700
Unlisted shares	1,330,164	1,258,877
	<u>\$ 1,922,184</u>	<u>\$ 1,608,577</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 Company's strategy of holding these investments for strategic purposes.



## 9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
<u>Current</u>		
Time deposits with original maturity of more than 3 months (a)	\$ -	\$ 29,993
Pledged time deposits (a)	67	67
	<u>\$ 67</u>	<u>\$ 30,060</u>
<u>Non-current</u>		
Pledged time deposits (a)	\$ 2,500	\$ 2,500
Refundable deposits	3,358	4,527
	<u>\$ 5,858</u>	<u>\$ 7,027</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:

	December 31	
	2024	2023
Time deposits and pledged time deposits	1.69%	1.565%-5.47%

The information on pledged time deposits is set out in Note 33.

- 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 financial assets at amortized cost.

	December 31	
	2024	2023
<u>Gross carrying amounts</u>		
Financial assets at amortized cost - current	\$ 67	\$ 30,060
Financial assets at amortized cost - non-current	5,858	7,027
	<u>\$ 5,925</u>	<u>\$ 37,087</u>

The Company invests only in debt instruments that have low credit risk for the purpose of impairment assessment. In measuring 12-month expected credit losses or lifetime expected credit losses for debt instrument investments, the Company considers the historical default rates, the current financial condition of debtors, and the future prospects of the industries. Due to the low credit risk of debtors and sufficient ability to settle contractual cash flows, as of December 31, 2024, and for the periods ended December 31, 2024 and 2023, no expected credit losses have been recognized in financial assets measured at amortized cost.

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

	December 31	
	2024	2023
<u>Notes receivable</u>		
At amortized cost		
Notes receivable - operating	<u>\$ 376,047</u>	<u>\$ 387,881</u>
<u>Accounts receivable (Including related parties)</u>		
At amortized cost	\$ 1,136,734	\$ 1,274,290
Less: Allowance for impairment loss	2,798	4,151
	<u>\$ 1,133,936</u>	<u>\$ 1,270,139</u>

a. Notes receivable

The Company analyzed notes receivable was not past due based on past due status, and The Company did not recognize an expected credit loss for notes receivable as of December 31, 2024 and 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 Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes The Company's credit risk was significantly reduced.

The Company 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 Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to The Company's different customer base.

The Company 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 Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

**December 31, 2024**

	<b>Less than 30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Days</b>	<b>151-365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Expected credit loss rate	0.12%	0.34%	0.79%	2.70%	10.93%	38.57%	100.00%	
Gross carrying amount	\$ 845,439	\$ 209,761	\$ 62,448	\$ 15,206	\$ 3,149	\$ 656	\$ 75	\$ 1,136,734
Loss allowance (Lifetime ECL)	( 510)	( 709)	( 496)	( 411)	( 344)	( 253)	( 75)	( 2,798)
Amortized cost	<u>\$ 844,929</u>	<u>\$ 209,052</u>	<u>\$ 61,952</u>	<u>\$ 14,795</u>	<u>\$ 2,805</u>	<u>\$ 403</u>	<u>\$ -</u>	<u>\$ 1,133,936</u>

**December 31, 2023**

	<b>Less than 30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Days</b>	<b>151-365 Days</b>	<b>Over 365 Days</b>	<b>Total</b>
Expected credit loss rate	0.13%	0.37%	0.88%	2.96%	13.41%	37.51% - 54.09%	100.00%	
Gross carrying amount	\$ 908,083	\$ 253,239	\$ 69,759	\$ 37,718	\$ 5,337	\$ 154	\$ -	\$ 1,274,290
Loss allowance (Lifetime ECL)	( 652)	( 945)	( 615)	( 1,118)	( 716)	( 105)	-	( 4,151)
Amortized cost	<u>\$ 907,431</u>	<u>\$ 252,294</u>	<u>\$ 69,144</u>	<u>\$ 36,600</u>	<u>\$ 4,621</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 1,270,139</u>

The Company has received accounts receivable of over 366 days in January 2024 and did not recognize the loss allowance of accounts receivable.

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

**For the the year of 2024**

	<b>Contract Asset</b>	<b>Accounts Receivable (Including related parties)</b>	<b>Total</b>
Balance at January 1	\$ 370	\$ 4,151	\$ 4,521
Less: Allowance (reversal) for the year	( 165)	( 1,299)	( 1,464)
Less: Written off for the year	-	( 54)	( 54)
Balance at December 31	<u>\$ 205</u>	<u>\$ 2,798</u>	<u>\$ 3,003</u>

**For the year of 2023**

	<b>Contract Asset</b>	<b>Accounts Receivable (Including related parties)</b>	<b>Total</b>
Balance at January 1	\$ 1,548	\$ 11,974	\$ 13,522
Less: Allowance (reversal) for the year	( 1,178)	- 5,199	( 6,377)
Less: Written off for the year	-	( 2,624)	( 2,624)
Balance at December 31	<u>\$ 370</u>	<u>\$ 4,151</u>	<u>\$ 4,521</u>

**12. INVENTORIES**

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Finished goods	\$ 91,314	\$ 124,393
Work in progress	27,109	8,932
Raw materials and supplies	214,076	202,424
	<u>\$ 332,499</u>	<u>\$ 335,749</u>

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
The cost of inventories recognized as cost of goods sold	<u>\$ 4,815,367</u>	<u>\$ 4,721,870</u>

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

Investments in subsidiaries  
Investments in associates

December 31	
2024	2023
\$ 2,904,563	\$ 2,594,020
11,347,505	10,804,541
<u>\$ 14,252,068</u>	<u>\$ 13,398,561</u>

#### a. Investments in subsidiaries

Chiayi Ready-mixed Concrete Industry Co., Ltd.  
Huan-Chung International Co., Ltd.  
Kaohsiung Pier Transportation Co., Ltd.  
UCC Investment Co., Ltd.  
Universal Ready-mixed Concrete Industry Co., Ltd.  
Uneo Inc.  
Li-Yong Development Co., Ltd.  
Tainan Ready-mixed Concrete Industry Co., Ltd.

December 31	
2024	2023
\$ 86,160	\$ 41,180
127,405	117,559
95,408	98,146
1,143,400	872,621
371,137	339,014
51,108	18,940
19,279	19,281
1,010,666	1,087,279
<u>\$ 2,904,563</u>	<u>\$ 2,594,020</u>

#### Proportion of Ownership and Voting Rights Percentage

Chiayi Ready-mixed Concrete Industry Co., Ltd. (a)  
Huan-Chung International Co., Ltd.  
Kaohsiung Pier Transportation Co., Ltd.  
UCC Investment Co., Ltd.  
Universal Ready-mixed Concrete Industry Co., Ltd.  
Uneo Inc. (b)  
Li-Yong Development Co., Ltd.  
Tainan Ready-mixed Concrete Industry Co., Ltd.

December 31	
2024	2023
86.63%	86.63%
69.99%	69.99%
100.00%	100.00%
100.00%	100.00%
58.18%	58.18%
100.00%	100.00%
100.00%	100.00%
67.45%	67.45%

a. The Company conduct a cash capital increase of \$50,000 thousand decided at the shareholders' meeting in October 2024, our company increased its capital by \$43,315 thousand, resulting in an increase in shareholding ratio, and the registration has been completed.

b. The Company conduct a cash capital increase of \$50,000 thousand decided at the board meeting in November 2024, our company fully increased its capital according to the original shareholding ratio, and the registration has been completed.

#### b. Investments in Associates

Unlisted companies  
Material associate  
Lio-Ho Machine Works Ltd.

December 31	
2024	2023
\$ 11,347,505	\$ 10,804,541

#### Material associates

#### Proportion of Ownership and Voting Rights Percentage

Name of Associate  
Lio-Ho Machine Works Ltd.

December 31	
2024	2023
29.86%	29.86%

Refer to Table 5 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of the associates.

The summarized financial information below represents amounts shown in the financial statements of Lio-Ho Machine Works Ltd. which were prepared in accordance with IFRSs and adjusted by the Company for equity accounting purposes.

Equity

December 31	
2024	2023
\$ 38,002,890	\$ 36,184,500

Operating revenue  
Net profit for the year  
Other comprehensive loss  
Dividends received from Lio-Ho Machine Works Ltd.

December 31	
2024	2023
\$ 8,900,037	\$ 10,690,916
\$ 1,590,817	\$ 2,815,952
\$ 1,727,573	(\$ 689,919)
<u>\$ 447,907</u>	<u>\$ 447,907</u>

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress	Total
Cost							
Balance at January 1, 2023	\$ 4,387,120	\$ 2,010,087	\$ 3,240,736	\$ 512,276	\$ 756,013	\$ 960,288	\$ 11,866,520
Additions	-	4,858	20,822	40,471	31,597	68,020	165,768
Disposals	-	-	( 8,356)	( 3,902)	( 6,692)	-	( 18,950)
Reclassification	-	23,771	-	-	21,182	( 44,953)	-
Balance at December 31, 2023	<u>\$ 4,387,120</u>	<u>\$ 2,038,716</u>	<u>\$ 3,253,202</u>	<u>\$ 548,845</u>	<u>\$ 802,100</u>	<u>\$ 983,355</u>	<u>\$ 12,013,338</u>
Accumulated depreciation and impairment							
Balance at January 1, 2023	\$ -	\$ 1,164,692	\$ 3,042,848	\$ 391,781	\$ 563,117	\$ 377,166	\$ 5,539,604
Depreciation expense	-	28,738	34,668	29,455	21,795	-	114,656
Disposals	-	-	( 8,356)	( 3,741)	( 6,692)	-	( 18,789)
Impairment loss	-	-	-	-	-	116,111	116,111
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 1,193,430</u>	<u>\$ 3,069,160</u>	<u>\$ 417,495</u>	<u>\$ 578,220</u>	<u>\$ 493,277</u>	<u>\$ 5,751,582</u>
Net carrying amounts at December 31, 2023	<u>\$ 4,387,120</u>	<u>\$ 845,286</u>	<u>\$ 184,042</u>	<u>\$ 131,350</u>	<u>\$ 223,880</u>	<u>\$ 490,078</u>	<u>\$ 6,261,756</u>
Cost							
Balance at January 1, 2024	\$ 4,387,120	\$ 2,038,716	\$ 3,253,202	\$ 548,845	\$ 802,100	\$ 983,355	\$ 12,013,338
Additions	-	13,704	89,190	11,958	12,016	30,094	156,962
Disposals	-	-	( 4,807)	( 41,241)	( 1,589)	-	( 47,637)
Reclassification	-	235	791,910	-	165,364	( 957,509)	-
Balance at December 31, 2024	<u>\$ 4,387,120</u>	<u>\$ 2,052,655</u>	<u>\$ 4,129,495</u>	<u>\$ 519,562</u>	<u>\$ 977,891</u>	<u>\$ 55,940</u>	<u>\$ 12,122,663</u>
Accumulated depreciation and impairment							
Balance at January 1, 2024	\$ -	\$ 1,193,430	\$ 3,069,160	\$ 417,495	\$ 578,220	\$ 493,277	\$ 5,751,582
Depreciation expense	-	28,710	53,597	\$ 34,827	\$ 30,024	-	147,158
Disposals	-	-	( 4,807)	-	39,594	-	( 45,946)
Reclassification	-	-	468,872	-	24,405	( 493,277)	-
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 1,222,140</u>	<u>\$ 3,586,822</u>	<u>\$ 412,728</u>	<u>\$ 631,104</u>	<u>\$ -</u>	<u>\$ 5,852,794</u>
Net carrying amounts at December 31, 2024	<u>\$ 4,387,120</u>	<u>\$ 830,515</u>	<u>\$ 542,673</u>	<u>\$ 106,834</u>	<u>\$ 346,787</u>	<u>\$ 55,940</u>	<u>\$ 6,269,869</u>

The Company identified indications of impairment due to lower-than-expected capacity utilization of certain equipment at the Lujhu gypsum board plant. Accordingly, an impairment loss of NT\$116,111 thousand was recognized in 2023 and included in non-operating expenses.

The recoverable amount was determined based on the replacement cost approach, taking into account the total cost to acquire or construct a new asset in current conditions, less deductions for physical, functional, and economic obsolescence.

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 equipment	2-17 years
Transportation equipment	2-7 years
Other equipment	2-20 years

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	December 31	
	2024	2023
Carrying amounts		
Buildings	\$ 34,717	\$ 40,878
Transportation equipment	12,964	16,646
	<u>\$ 47,681</u>	<u>\$ 57,524</u>
	December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 2,473</u>	<u>\$ 10,211</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 7,872	\$ 7,754
Transportation equipment	4,467	3,490
	<u>\$ 12,339</u>	<u>\$ 11,244</u>

Except for the aforementioned additions and recognized depreciation, the Company did not recognize significant sublease income or impairment losses on right-of-use assets in 2024 and 2023.

### b. Lease liabilities

	December 31	
	2024	2023
Carrying amounts		
Current	\$ 11,335	\$ 11,760
Non-current	<u>\$ 37,202</u>	<u>\$ 46,306</u>

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2024	2023
Buildings	0.9%	0.9%
Transportation equipment	0.9%-1.7885%	0.9%-1.7885%

### c. Other lease information

	December 31	
	2024	2023
Expenses relating to short-term leases	\$ 22,120	\$ 21,142
Expenses relating to low-value assets leases	<u>\$ 549</u>	<u>\$ 502</u>
Total cash outflow for leases	<u>\$ 35,208</u>	<u>\$ 33,037</u>

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

# 16. INVESTMENT PROPERTIES

	Land	Buildings	Total
<u>Cost</u>			
Balance at January 1 and December 31, 2023	\$ 663,849	\$ 98,227	\$ 762,076
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 43,232	\$ 84,138	\$ 127,370
Depreciation expense	-	567	567
Balance at December 31, 2023	\$ 43,232	\$ 84,705	\$ 127,937
Net carrying amounts at December 31, 2023	\$ 620,617	\$ 13,522	\$ 634,139
<u>Cost</u>			
Balance at January 1 and December 31, 2024	\$ 663,849	\$ 98,227	\$ 762,076
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ 43,232	\$ 84,705	\$ 127,937
Depreciation expense	-	567	567
Balance at December 31, 2024	\$ 43,232	\$ 85,272	\$ 128,504
Net carrying amounts at June 30, 2024	\$ 620,617	\$ 12,955	\$ 633,572

As of December 31, 2024 and 2023, the Company has not yet completed the property registration of the land, both are amounting to \$95,795 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 61 years of useful lives.

The fair values of the investment properties of the Company as of December 31, 2024 and 2023 were \$1,807,994 thousand and \$1,612,019 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 was determined based on market evidence of similar transactions or the Company's management's reference to actual transaction prices in nearby areas.

Gross lease payments receivable of the future under operating leases of investment properties were as follows:

	December 31	
	2024	2023
Year 1	\$ 10,800	\$ 11,073
Year 2	7,625	6,688
Year 3	7,553	6,701
Year 4	7,653	6,701
Year 5	4,302	6,801
Year 5 onwards	11,900	3,451
	\$ 49,833	\$ 41,415

## 17. OTHER INTANGIBLE ASSETS

	Patents	Licenses and Franchises	Trademarks	Computer Software	Total
<u>Cost</u>					
Balance at January 1, 2023	\$ 8,428	\$ 5,762	\$ 44	\$ 11,192	\$ 25,426
Additions	423	-	-	2,062	2,485
Balance at December 31, 2023	<u>\$ 8,851</u>	<u>\$ 5,762</u>	<u>\$ 44</u>	<u>\$ 13,254</u>	<u>\$ 27,911</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2023	\$ 5,605	\$ 4,104	\$ 14	\$ 4,379	\$ 14,102
Amortization expense	679	237	4	2,706	3,626
Balance at December 31, 2023	<u>\$ 6,284</u>	<u>\$ 4,341</u>	<u>\$ 18</u>	<u>\$ 7,085</u>	<u>\$ 17,728</u>
Net carrying amounts at December 31, 2023	<u>\$ 2,567</u>	<u>\$ 1,421</u>	<u>\$ 26</u>	<u>\$ 6,169</u>	<u>\$ 10,183</u>
<u>Cost</u>					
Balance at January 1, 2024	\$ 8,851	\$ 5,762	\$ 44	\$ 13,254	\$ 27,911
Additions	474	-	-	985	1,459
Balance at December 31, 2024	<u>\$ 9,325</u>	<u>\$ 5,762</u>	<u>\$ 44</u>	<u>\$ 14,239</u>	<u>\$ 29,370</u>
<u>Accumulated amortization</u>					
Balance at January 1, 2024	\$ 6,284	\$ 4,341	\$ 18	\$ 7,085	\$ 17,728
Amortization expense	743	237	4	2,594	3,578
Balance at December 31, 2024	<u>\$ 7,027</u>	<u>\$ 4,578</u>	<u>\$ 22</u>	<u>\$ 9,679</u>	<u>\$ 21,306</u>
Net carrying amounts at December 31, 2024	<u>\$ 2,298</u>	<u>\$ 1,184</u>	<u>\$ 22</u>	<u>\$ 4,560</u>	<u>\$ 8,064</u>

Except for the recognition of amortization expenses, there was no significant increase, disposal or impairment of the intangible assets of the Company in 2024 and 2023.

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

Patents	8-19 years
Licenses and franchises	10 years
Trademarks	10 years
Computer Software	3 years

## 18. BORROWINGS

### a. Short-term borrowings

	December 31	
	2024	2023
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>\$ 2,100,000</u>	<u>\$ 1,610,000</u>
The range of interest rates	1.85%-1.99%	1.75%-1.82%

### b. Short-term bills payable

	December 31	
	2024	2023
Commercial papers	\$ -	\$ 235,000
Less: Unamortized discount on bills payable	-	113
	<u>\$ -</u>	<u>\$ 234,887</u>

The Company did not provide any collateral over these balance.

Promissory Institutions	Nominal Amount	Discount Amount	Carrying Value	Interest Rate
December 31, 2023				
Taiwan Finance Co., Ltd.	\$ 80,000	\$ 28	\$ 79,972	1.798%
Mega Bills Finance Co., Ltd.	155,000	85	154,915	1.828%
	<u>\$ 235,000</u>	<u>\$ 113</u>	<u>\$ 234,887</u>	

### c. Long-term borrowings

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

The Company obtained new unsecured 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% as of December 31, 2023. The Company repaid the loans early in March 2024.



## 19. 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 Company 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.

## 20. OTHER PAYABLES AND OTHER LIABILITIES

	December 31	
	2024	2023
<u>Current</u>		
Other payable		
Payable for related parties	\$ 283,154	\$ -
Payable for salaries or bonus	100,181	100,928
Payable for remuneration to employees	53,000	42,971
Payable for promotion service fee	51,247	40,064
Payable for remuneration to directors	49,000	42,971
Payable for freight	38,041	38,672
Payable for business tax	15,255	17,122
Payable for utility bills	12,565	7,631
Payable for taxes	11,995	9,002
Payable for annual leave	10,303	8,277
Payables for equipment	1,480	11,194
Others	25,889	25,021
	<u>\$ 652,110</u>	<u>\$ 343,853</u>
Other liabilities		
Receipts in advance	\$ 16,158	\$ 6,829
Temporary receipts	11,454	14,066
Others	-	54
	<u>\$ 27,612</u>	<u>\$ 20,949</u>

## 21. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

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

### b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 3% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

In 2022, our company fully settled all employee retirement benefits and applied to the Bureau of Labor Insurance, MOL to close the pension fund. As of December 31, 2023, we are currently awaiting approval from the bureau to receive the remaining balance in the pension fund.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31
	2023
Present value of defined benefit obligation	\$ -
Fair value of plan assets	( 6,697)
Net defined benefit liability	<u>(\$ 6,697)</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability
Balance at January 1 and December 31, 2023	\$ -	(\$ 6,697)	(\$ 6,697)
Balance at January 1, 2023	\$ -	(\$ 6,697)	(\$ 6,697)
Interest income	-	( 2,790)	- 2,790
Components of defined benefit costs recognized in profit or loss	-	( 2,790)	( 2,790)
Settlement	-	9,487	9,487
Balance at December 31, 2022	\$ -	\$ -	\$ -

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans for the Year Ended December 31, 2023 is as follows:

	Amount
Operating costs	(\$ 1,665)
Selling and marketing expenses	( 447)
General and administrative expenses	( 586)
Research and development expenses	( 92)
	(\$ 2,790)

## 22. EQUITY

### a. Share capital

	December 31	
	2024	2023
Number of shares authorized (thousands)	1,000,000	1,000,000
Capital stock authorized	\$ 10,000,000	\$ 10,000,000
Number of shares issued and fully paid (thousands)	686,682	673,217
Capital stock issued	\$ 6,866,818	\$ 6,732,175

The Company'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 record date was July 29, 2023 and the change of registration was completed on August 16, 2023.

The Company's shareholders meeting resolved to distribute share dividends of 13,464 thousand shares with par value of \$10 on June 21, 2024, to increase the authorized share capital to \$6,866,818 thousand. Which was approved by the Financial Supervisory Commission ("FSC") on June 27, 2024. The record date was July 22, 2024 and the change of registration was completed on August 7, 2024.

### b. Capital surplus

	December 31	
	2024	2023
<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
Differences between the actual equity value of subsidiaries acquired or disposed and its carrying amounts.	56,451	57,377
<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
Overdue dividends not collected by shareholders	22,469	22,476
	\$ 122,786	\$ 123,719

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 every year).

### c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Company's 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. The policies on the distribution of employees' compensation and remuneration of directors in the Company's Articles refer to Note 24-g.

According to the Company's Articles, the bonus to shareholders 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 amount of other deductions from equity 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 if the prior unappropriated earnings is not sufficient.

The appropriations of 2023 and 2022 earnings have been proposed by the Company's regular shareholders meeting on June 21, 2024 and June 16, 2023, respectively. The appropriations and dividends per share were as follows:

	2023	2022
Legal reserve	\$ 210,852	\$ 204,243
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 2024 had been proposed by the Company's board of directors on March 10, 2025. The appropriation and dividends per share were as follows:

	2024
Legal reserve	\$ 149,953
Cash dividends	\$ 1,167,359
Cash dividends per share (NT\$)	\$ 1.7

The appropriation of earnings for 2024 will subject to the resolution of the shareholders meeting.

d. Special reserves

	December 31	
	2024	2023
Special reserves		
First-time adoption IFRS Accounting Standards	\$ 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

	For the year Ended December 31	
	2024	2023
Balance at January 1	(\$ 1,009,492)	(\$ 799,476)
Recognized for the year		
Share from associates accounted for using the equity method	505,821	( 210,016)
Balance at December 31	(\$ 503,671)	(\$ 1,009,492)

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

	For the year Ended December 31	
	2024	2023
Balance at January 1	\$ 1,743,007	\$ 1,711,898
Recognized for the year		
Unrealized gain (loss) - equity instruments	762,462	( 62,751)
Share from subsidiaries and associates accounted for using the equity method	239,215	94,621
Other comprehensive income/(loss) during the year	1,001,677	31,870
The cumulative profit or loss arising from the disposals of equity instruments is transferred to retained earnings.	( 17,242)	( 1,620)
Reclassification of equity instruments from associates accounted for using the equity method to retained Earnings	-	859
Balance at December 31	\$ 2,727,442	\$ 1,743,007

3) Remeasurement of defined benefit plans

	<b>For the year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 91,254	\$ 89,394
Share from associates accounted for using the equity method	10,513	1,860
Balance at December 31	<u>\$ 101,767</u>	<u>\$ 91,254</u>

**23. REVENUE**

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Revenue from contracts with customers		
Revenue from sale of goods	<u>\$ 6,139,433</u>	<u>\$ 6,007,860</u>

a. Disaggregation of revenue

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Concrete	\$ 4,212,905	\$ 4,087,151
Cement	831,114	844,195
Gypsum Board panels	1,077,450	1,053,982
Other	17,964	22,532
	<u>\$ 6,139,433</u>	<u>\$ 6,007,860</u>

b. Contract balances

	<b>December 31</b>		<b>January 1</b>
	<b>2024</b>	<b>2023</b>	<b>2023</b>
Notes and accounts receivable (Including related parties)	<u>\$ 1,509,983</u>	<u>\$ 1,658,020</u>	<u>\$ 1,661,417</u>
Contract assets			
Sale of goods	\$ 1,023	\$ 1,850	\$ 7,744
Less: Loss allowance	205	370	1,548
	<u>818</u>	<u>1,480</u>	<u>6,196</u>
Contract liabilities - current			
Sale of goods	<u>\$ 408</u>	<u>\$ 530</u>	<u>\$ 240</u>

In accordance with the terms of the contract, the Company recognizes the construction retention money as contract assets before completing the contractual obligations, and considers the historical default loss rates and the state of the industry in estimating expected credit loss.

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Expected credit loss rate	20%	20%
Gross carrying amount	\$ 1,023	\$ 1,850
Loss allowance (Lifetime ECL)	(205)	(370)
	<u>\$ 818</u>	<u>\$ 1,480</u>

**24. PROFIT BEFORE INCOME TAX**

a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Bank deposits	\$ 1,982	\$ 2,299
Related parties loans	-	2,734
Others	22	-
	<u>\$ 2,004</u>	<u>\$ 5,033</u>

b. Other income

	For the Year Ended December 31	
	2024	2023
Dividend income	\$ 190,716	\$ 178,687
Remuneration of directors	15,408	18,235
Rental income - investment properties (Note 16)	14,370	13,734
Others	8,721	7,949
	<u>\$ 229,215</u>	<u>\$ 218,605</u>

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Net foreign exchange gains (losses)	\$ 1,228	\$ 518
Gain on disposal of property, plant and equipment	9,879	525
Gain (Loss) in financial assets		
Financial assets mandatorily classified as at FVTPL	4,384	721
Impairment loss	-	(116,111)
Others	1,714	(2,712)
	<u>17,205</u>	<u>(\$ 117,059)</u>

d. Interest expense

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	\$ 36,605	\$ 48,091
Interest on lease liabilities	514	491
Interest on related parties loans	3,445	-
	<u>\$ 40,564</u>	<u>\$ 48,582</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	\$ 147,158	\$ 114,656
Right-of-use assets	12,339	11,244
Investment properties	567	567
Intangible assets	3,578	3,626
	<u>\$ 163,642</u>	<u>\$ 130,093</u>
An analysis of depreciation - by function		
Operating costs	\$ 123,875	\$ 96,774
Operating expenses	35,622	29,126
Others (included in non-operating income and expense)	567	567
	<u>\$ 160,064</u>	<u>\$ 126,467</u>
An analysis of amortization - by function		
Operating costs	\$ 546	\$ 572
Operating expenses	3,032	3,054
	<u>\$ 3,578</u>	<u>\$ 3,626</u>

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits expense	\$ 450,844	\$ 444,832
Salaries	42,788	42,690
Labor and health insurance	74,528	65,131
Others	568,160	552,653
Post-employment benefits		
Defined contribution plans	20,392	20,042
Defined benefit plans (Note 22)	(2,790)	-
	<u>17,602</u>	<u>20,042</u>
	<u>\$ 585,762</u>	<u>\$ 572,695</u>
An analysis of employee benefits expense - by function		
Operating costs	\$ 388,785	\$ 349,042
Operating expenses	196,977	223,653
	<u>\$ 585,762</u>	<u>\$ 572,695</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. The compensation of employees and remuneration of directors for the year ended December 31, 2024 and 2023 have been approved on March 10, 2025 and March 15, 2024 respectively as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	2.98%	1.8%
Remuneration of directors	2.76%	1.8%

Amount

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation	\$ 53,000	\$ 42,971
Remuneration of directors	\$ 49,000	\$ 42,971

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

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, 2024 and 2023.

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.

## 25. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax		
In respect of the current period	\$ 181,058	\$ 170,697
Additional unappropriated earnings	20,119	25,818
Adjustments for prior years	( 5,451)	( 5,359)
	<u>195,726</u>	<u>191,156</u>
Deferred tax		
In respect of the current period	( 3,456)	( 3,246)
	<u>\$ 192,270</u>	<u>\$ 187,910</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Profit before tax	\$ 1,674,557	\$ 2,295,668
Income tax expense calculated at the statutory rate	\$ 334,911	\$ 459,133
Non-deductible expenses (income) in determining taxable income	( 113,531)	( 279,063)
Tax-exempt income	( 38,143)	( 35,737)
Temporary difference	( 5,635)	23,118
Income tax on unappropriated earnings	20,119	25,818
Adjustments for prior years	( 5,451)	( 5,359)
	<u>\$ 192,270</u>	<u>\$ 187,910</u>

b. Current tax liabilities

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Current tax liabilities		
Income tax payable	\$ 116,953	\$ 121,251

c. Deferred tax assets and liabilities

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

For the year of 2024

	<u>Opening Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Closing Balance</u>
<u>Deferred Tax Assets</u>			
Temporary differences			
Unrealized exchange losses	\$ 160	-\$ 160	\$ -
Unrealized payable promotion expenses	8,013	2,236	10,249
Defined benefit obligation	5,545	( 5,545)	-
Others	162	147	309
	<u>\$ 13,880</u>	<u>-\$ 3,322</u>	<u>\$ 10,558</u>

Deferred Tax Liabilities

Temporary differences			
Land value increment tax	\$ 1,081,490	\$ -	\$ 1,081,490
Defined benefit obligation	6,884	( 6,884)	-
Unrealized exchange gains	-	106	106
	<u>\$ 1,088,374</u>	<u>(\$ 6,778)</u>	<u>\$ 1,081,596</u>

For the year of 2023

	<u>Opening Balance</u>	<u>Recognized in Profit or Loss</u>	<u>Closing Balance</u>
<u>Deferred Tax Assets</u>			
Temporary differences			
Unrealized exchange losses	\$ -	\$ 160	\$ 160
Unrealized payable promotion expenses	5,327	2,686	8,013
Defined benefit obligation	5,545	-	5,545
Others	379	( 217)	162
	<u>\$ 11,251</u>	<u>\$ 2,629</u>	<u>\$ 13,880</u>

Deferred Tax Liabilities

Temporary differences			
Land value increment tax	\$ 1,081,490	\$ -	\$ 1,081,490
Defined benefit obligation	6,884	-	6,884
Unrealized exchange gains	617	( 617)	-
	<u>\$ 1,088,991</u>	<u>(\$ 617)</u>	<u>\$ 1,088,374</u>

- d. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the balance sheets.

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Temporary differences		
Inventory write-down and obsolescence losses	\$ 31,818	\$ 34,027
Asset impairment losses	645,504	671,469
	<u>\$ 677,322</u>	<u>\$ 705,496</u>

e. Income tax examinations

The tax returns of the Company through 2022 have been assessed by the tax authorities

## 26. 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. The record date was July 22, 2024. The basic and diluted earnings per share adjusted retrospectively from January 1 to December 31, 2022 were as follows:

	Unit: NT\$ Per Share	
	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	\$ 3.13	\$ 3.07
Diluted earnings per share	\$ 3.12	\$ 3.06

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 Year Ended December 31	
	2024	2023
Net Profit for the Year	\$ 1,482,287	\$ 2,107,758

### Number of shares

	Unit: Thousand shares	
	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	686,682	686,682
Effect of potentially dilutive ordinary shares:		
Employees' compensation	2,197	1,801
Weighted average number of ordinary shares in the computation of diluted earnings per share	688,879	688,483

The Company may settle compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation or bonus will be settled in shares, and the resulting potential shares will be 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.

## 27. ACQUISITION OF SUBSIDIARIES

In November 2023, the Group acquired shares held by the non-controlling interest of Universal Concrete Industrial Corporation. And its shareholding increased from 58.12% to 58.18%.

The above transactions were accounted for as equity transactions since there was no change in the Corporation's control over these subsidiaries. Refer to the note 28 of the consolidated financial statements for the year ended December 31, 2024 for the disclosures of equity movements of subsidiaries.

## 28. CASH FLOWS INFORMATION

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

	For the Year Ended December 31	
	2024	2023
Increase in property, plant and equipment	\$ 156,962	\$ 165,768
Decrease (increase) in payables for equipment	9,714	( 858)
Increase (decrease) in prepayments for equipment	( 19,031)	15,427
Paid in cash	\$ 147,645	\$ 180,337

## 29. CAPITAL MANAGEMENT

The Company needs to maintain sufficient capital to fulfill the Company's requirements of capital to build and expand its production facilities and equipment. Therefore, the capital management of the Company shall ensure on the necessary financial resources and a comprehensive operational plan to fulfill the future demand of working capital, capital expenditures, research and development expenses, debts repayment and dividend distributions.



### 30. FINANCIAL INSTRUMENTS

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

The Company 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

##### December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 8,887	\$ -	\$ -	\$ 8,887
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares	\$ 2,697,892	\$ 592,020	\$ -	\$ 3,289,912
Unlisted shares	-	-	1,330,164	1,330,164
	<u>\$ 2,697,892</u>	<u>\$ 592,020</u>	<u>\$ 1,330,164</u>	<u>\$ 4,620,076</u>

##### December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 4,661	\$ -	\$ -	\$ 4,661
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Listed shares	\$ 2,262,037	\$ 349,700	\$ -	\$ 2,611,737
Unlisted shares	-	-	1,258,877	1,258,877
	<u>\$ 2,262,037</u>	<u>\$ 349,700</u>	<u>\$ 1,258,877</u>	<u>\$ 3,870,614</u>

There were no transfers between Level 1 and 2 in 2024 and 2023.

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

##### Financial assets at fair value through other comprehensive

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 1,258,877	\$ 1,775,212
Recognized in other comprehensive income (unrealized valuation gain or loss on financial assets at fair value through other comprehensive income)	71,287	( 514,868)
Recognized in profit (dividend income)	-	11,746
Return of capital from reduction of share capital	-	( 13,213)
Balance at December 31	<u>\$ 1,330,164</u>	<u>\$ 1,258,877</u>

##### 3) Valuation techniques and inputs applied for Level 2 fair value measurement

Category of financial instrument	Measurement technique and input value
Investments in equity instruments	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 measure 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.

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

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.

#### c. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	\$ 8,887	\$ 4,661
Financial assets at amortized cost (Note 1)	1,994,133	1,882,812
Financial assets at FVTOCI – Investments in equity instruments	4,620,076	3,870,614
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (Note 2)	3,298,865	3,378,388

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 at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable (including related parties), other payables, guarantee deposits received and long-term borrowings due within one year.

d. Financial Risk Management Objectives and Policies

The Company's major financial instruments include investments in equity instruments, accounts receivable, accounts payables, loans and lease liabilities. The financial management department of the Company 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 Company 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 Company'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 Company was exposed to interest rate risk arising from short-term borrowing at New Taiwan dollar (NTD) market rates with a markup. 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 Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	For the Year Ended December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 5,925	\$ 37,087
Financial liabilities	48,537	292,953
Cash flow interest rate risk		
Financial assets	407,895	162,808
Financial liabilities	2,100,000	2,110,000

b) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities and mutual funds. The Company manages this exposure by maintaining a portfolio of investments with different risks. The Company'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 Company 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 Company calculated by \$ 2,697,892 thousand and \$ 2,262,037 thousand, had been 1% higher/lower, the pre-tax other comprehensive income for the year ended December 31, 2023 and 2022 would have increased/decreased by \$ 26,979 thousand and \$ 22,620 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 Company 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 Company.

As at the end of the reporting period, the Company'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 Company 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 Company 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 Company 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 Company has no significant concentration of credit risk.

As of 31 December 2024 and 2023, the maximum exposure of the Company for engaging in endorsement/guarantee was NT\$100,000 thousand and NT\$130,000 thousand, respectively.

### 3) Liquidity risk

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

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

The following table details the Company'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 Company 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 cash flows are at floating rates, the undiscounted interest amount was derived from the effective interest rate at the end of the reporting period.

#### December 31, 2024

	On Demand or Less than 3 Month	3 Months to 1 Year	1 Year to 5 Year	6 Year to 10 Year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,190,845	\$ -	\$ 8,020	\$ -
Lease liabilities	3,052	8,693	37,435	386
Variable interest rate liabilities	1,785,515	322,149	-	-
Fixed interest rate liabilities	100,000	-	-	-
	<u>\$ 3,079,412</u>	<u>\$ 330,842</u>	<u>\$ 45,455</u>	<u>\$ 386</u>

#### December 31, 2023

	On Demand or Less than 3 Month	3 Months to 1 Year	1 Year to 5 Year	6 Year to 10 Year
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 1,023,384	\$ -	\$ 10,117	\$ -
Lease liabilities	3,196	9,068	40,494	6,801
Variable interest rate liabilities	1,896,386	223,213	-	-
Fixed interest rate liabilities	235,000	-	-	-
Guaranteed liabilities	130,000	-	-	-
	<u>\$ 3,287,966</u>	<u>\$ 232,281</u>	<u>\$ 50,611</u>	<u>\$ 6,801</u>

The amount included above for variable interest rate instruments for non-derivative financial 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 for the Company.

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
The short-term unsecured line of credit	4,365,358	3,128,876

## 31. TRANSACTIONS WITH RELATED PARTIES

Except as disclosed in other notes, details of transactions between the Company and other related parties are disclosed below.

#### a. Name and relationship of related party

<u>Related Party Name</u>	<u>Relationships of the Company</u>
CHC Resources Corp.	The Company acts as key management
Universal Real Estate Development Co., Ltd.	The Company acts as key management
Sheng Yuan Investment Co., Ltd.	The key management of the Company
Bo-Chih Investment Co., Ltd.	The key management of the Company (a)
Yu-Sheng Investment Co., Ltd.	The key management of the Company
Pan Asia (Engineers&Constructors) Corp.	Subsidiary acts as juristic supervisor
Pao Good Industrial Co., Ltd.	Other related parties
Tainan Ready-mixed Concrete Industry Co., Ltd.	Subsidiary corporation
Chiayi Ready-mixed Concrete Industry Co., Ltd.	Subsidiary corporation
Universal Ready-mixed Concrete Industry Co., Ltd.	Subsidiary corporation
Kaohsiung Pier Transportation Co., Ltd.	Subsidiary corporation
Uneo Inc.	Subsidiary corporation
UCC Investment Co., Ltd.	Subsidiary corporation

#### 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 Year Ended December 31</u>	
		<u>2024</u>	<u>2023</u>
Sales revenue	The Company acts as key management	\$ 129,351	\$ 99,420
	Subsidiary acts as juristic supervisor	44,719	139,405
	Subsidiaries	17,964	22,532
		<u>\$ 192,034</u>	<u>\$ 261,357</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 Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
The Company acts as key management	\$ 268,073	\$ 263,138
Other related parties	9,524	9,269
Subsidiaries	6,475	-
	<u>\$ 284,072</u>	<u>\$ 272,407</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. Receivables from related parties (Excluding contract assets)

<u>Account Items</u>	<u>Related Parties Category / Name</u>	<u>December 31</u>	
		<u>2024</u>	<u>2023</u>
Accounts receivable - related parties			
	The Company acts as key management	\$ 17,613	\$ 11,422
	Subsidiary acts as juristic supervisor	4,010	47,430
	Subsidiaries	2,213	1,818
	Less: Allowance for impairment loss	32	102
		<u>\$ 23,804</u>	<u>\$ 60,568</u>
Other receivables	Subsidiaries	<u>\$ 147</u>	<u>\$ -</u>

The outstanding receivables from related parties are unsecured.

e. Payables to related parties

<u>Account Items</u>	<u>Related Parties Category / Name</u>	<u>December 31</u>	
		<u>2024</u>	<u>2023</u>
Accounts payable - related parties	The Company acts as key management	\$ -	\$ 23,183
	Subsidiaries	12,225	16,551
	Other related parties	2,076	1,809
		<u>\$ 14,301</u>	<u>\$ 41,543</u>
Other payables	Subsidiaries	<u>\$ 18,456</u>	<u>\$ 18,047</u>

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

f. Prepayments

<u>Related Party Category</u>	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
The Company acts as key management	\$ 764	\$ -

g. Lease arrangements - Company is lessee

The Company leased the office for business use from Subsidiaries.

<u>Line Item</u>	<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
		<u>2024</u>	<u>2023</u>
Lease liabilities	Subsidiaries	<u>\$ 717</u>	<u>\$ 1,165</u>

  

<u>Line Item</u>	<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
		<u>2024</u>	<u>2023</u>
Interest expense	Subsidiaries	<u>\$ 8</u>	<u>\$ 5</u>

The Company leased lands and buildings from related parties. The rental prices are determined with reference to the market standards and rentals payable monthly.

h. Lease arrangements - Company is lessor

The Company leased its office building, plant, machinery and equipment 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:

<u>Related Party Category</u>	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
The Company acts as key management	\$ 3,207	\$ 3,207
The key management of the Company	92	46
The chairman of our company	46	23
Subsidiaries	812	848
	<u>\$ 4,157</u>	<u>\$ 4,124</u>

Total lease revenue is summarized as follows:

<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
The Company acts as key management	\$ 5,498	\$ 5,498
The key management of the Company	46	57
The chairman of our company	23	12
Subsidiaries	780	748
	<u>\$ 6,347</u>	<u>\$ 6,315</u>

i. Loan to related parties

<u>Line Item</u>	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Interest income</u>		
Tainan Ready-mixed Concrete Industry Co., Ltd.	\$ -	\$ 2,734

The Company provided an short-term loan to its subsidiary, interests accrued at 1.858%-2% based on the actual utilization amount during 2023, and the settlement shall be made in a lump-sum upon expiry.

j. Loan from related parties (included in other payables)

<u>Related Party Category / Name</u>	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiary/Tainan Ready-mixed Concrete Industry Co., Ltd.	\$ 283,154	\$ -
<u>Interest expense</u>		
<u>Related Party Category / Name</u>	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiary/Tainan Ready-mixed Concrete Industry Co., Ltd.	\$ 3,445	\$ -
The range of interest rates	1.40%-1.47%	\$ -

k. Endorsement/guarantee

Endorsement/guarantee to others

The endorsement/guarantee amount provided by the Company for bank facilities of associates is as follows:

<u>Category/name of associates</u>	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiaries		
Universal Ready-mixed Concrete Industry Co., Ltd.	\$ 120,000	\$ 120,000
UCC Investment Co., Ltd.	350,000	350,000
Uneo Inc.	50,000	50,000
	<u>\$ 520,000</u>	<u>\$ 520,000</u>

Endorsement/guarantee acquired

The endorsement/guarantee amount provided by subsidiaries for the Company to undertake constructions according to contractual requirements is as follows:

<u>Category/name of associates</u>	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Subsidiaries		
Kaohsiung Pier Transportation Co., Ltd.	\$ 319,928	\$ 319,928
UCC Investment Co., Ltd.	730,762	443,909
Universal Ready-mixed Concrete Industry Co., Ltd.	157,561	157,561
	<u>\$ 1,208,251</u>	<u>\$ 921,398</u>

l. Other transactions with related parties

1) Freight expense

<u>Line item</u>	<u>Category/name of associates</u>	<u>For the Year Ended December 31</u>	
		<u>2024</u>	<u>2023</u>
Cost of sales – freight expenses	Subsidiary Kaohsiung Pier Transportation Co., Ltd.	\$ 276,018	\$ 228,506
Cost of marketing – freight expenses	Subsidiary Kaohsiung Pier Transportation Co., Ltd.	\$ 14,581	\$ 15,135
Cost of management – freight expenses	Subsidiary Kaohsiung Pier Transportation Co., Ltd.	\$ 11	\$ -

Regarding the freight transactions between the Company and its related parties, the prices are established according to the prices agreed by both parties, equivalent to that of the general suppliers.

The Company's payment term for freight to related parties is approximately 45 to 60 days, equivalent to that of the general suppliers.

2) Management service income

Category/name of associates	For the Year Ended December 31	
	2024	2023
Subsidiary	\$ 19,902	\$ 15,122

The Company receives management service income from subsidiaries for employee dispatch and transfer, which is accounted for as a deduction item of salary expenses.

m. Compensation of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 44,166	\$ 31,440
Post-employment benefits	768	599
	<u>\$ 44,934</u>	<u>\$ 32,039</u>

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 lease performance bonds and natural gas performance bonds of Port of Taichung, Taiwan International Ports

	December 31	
	2024	2023
Pledged time deposits		
Current	\$ 67	\$ 67
Non-current	2,500	2,500
	<u>\$ 2,567</u>	<u>\$ 2,567</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Unrecognized commitments are as follows:

	December 31	
	2024	2023
Acquisition of property, plant and equipment	\$ 65,868	\$ 70,912

b. The promissory notes are as follows:

	December 31	
	2024	2023
Promissory notes	\$ 94,575	\$ 115,806

These notes were provided as engineering performance bonds, which could be refunded when the guarantee is terminated

c. Unused letters of credit are as follows:

	December 31	
	2024	2023
Unused letters of credit for purchase of raw materials	\$ 34,642	\$ 26,124

34. OTHER ITEMS

On February 15, 2023, the President announced amendments to the "Climate Change Response Act" and added regulations for the collection of carbon fees. Subsequently, the Ministry of Environment Notice announced on August 29, 2024 was hereby given, to commence a period of public comments for "Regulations Governing the Collection of Carbon Fees", "Regulations for Administration of Voluntary Reduction Plans" and "Designated Greenhouse Gas Reduction Goal for Entities Subject to Carbon Fees". On October 21, 2024, the carbon fee collection rates were announced, which will take effect from January 1, 2025. Based on the preliminary emission estimates for the 2024 fiscal year, The Group will become subjects of carbon fee collection. Therefore, they will recognize related liabilities based on actual emissions in 2025 and pay the carbon fees in May 2026.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)			
December 31, 2024			
Financial Assets	Foreign Currencies	Exchange Rate	Carrying Amount
Monetary items			
USD	\$ 438	32.785	\$ 14,360
RMB	926	4.478	4,149
JPY	108,488	0.2099	22,772

December 31, 2023

Financial Assets	Foreign Currencies	Exchange Rate	Carrying Amount
Monetary items			
USD	\$ 966	30.705	\$ 29,663
RMB	916	4.33	3,962
EUR	97	33.98	3,295

The exchange rate gains and losses of foreign currencies with significance (including realized and non-realized) are summarized as follows:

	For the Year Ended December 31, 2024		For the Year Ended December 31, 2023	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gain and Loss	Exchange Rate	Net Foreign Exchange Gain and Loss
USD	32.785 (USD:NTD)	\$ 855	30.705 (USD:NTD)	\$ 304
RMB	4.478 (RMB:NTD)	139	4.33 (RMB:NTD)	( 73)
JPY	0.21 (JPY:NTD)	176	0.22 (JPY:NTD)	( 1)
HKD	4.222 (HKD:NTD)	1	3.93 (HKD:NTD)	10
EUR	34.14 (EUR:NTD)	( 22)	33.98 (EUR:NTD)	7
SGD	24.13 (SGD:NTD)	79	23.29 (SGD:NTD)	271
		<u>\$ 1,228</u>		<u>\$ 518</u>

### 36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others. (Table 1)
- 2) Endorsements/guarantees provided. (Table 2)
- 3) Marketable securities held (excluding 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. (Table 4)
- 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)

b. Related information on investees. (Table 5)

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)

TABLE 1

# UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

## FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 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	Uneo Inc.	Other receivables	Yes	\$100,000	\$100,000	\$ -	2.035	For short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$9,462,702	\$9,462,702
0	The Company	UCC Investment Co., Ltd.	Other receivables	Yes	800,000	800,000	-	2.035	For short-term financing	-	Operating capital	-	None	-	9,462,702	9,462,702
0	The Company	Tainan Ready-mixed Concrete Industr Co., Ltd.	Other receivables	Yes	300,000	-	-	2.035	For short-term financing	-	Operating capital	-	None	-	9,462,702	9,462,702
0	The Company	Universal Ready-mixed Concrete Industry Co., Ltd.	Other receivables	Yes	300,000	300,000	-	2.035	For short-term financing	-	Operating capital	-	Land and Plant	300,000	9,462,702	9,462,702
1	UCC Investment Co., Ltd.	Tainan Ready-mixed Concrete Industry Co., Ltd.	Other receivables	Yes	250,000	-	-	2.268	For short-term financing	-	Operating capital	-	None	-	457,637	457,637
2	Tainan Ready- mixed Concrete Industry Co., Ltd.	The Company	Other receivables	Yes	400,000	280,000	280,000	1.47	For short-term financing	-	Operating capital	-	None	-	389,718	389,718

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.



**TABLE 2**

**UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED**

**FOR THE YEAR ENDED DECEMBER 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 Ready-mixed Concrete Industry Co., Ltd.	(1)	\$ 132,329	\$ 120,000	\$ 120,000	\$ -	\$ -	1	\$ 23,656,756	Y	N	N
		UCC Investment Co., Ltd.	(1)	828,750	350,000	350,000	100,000	-	1	23,656,756	Y	N	N
		Uneo Inc.	(1)	110,000	50,000	50,000	-	-	-	23,656,756	Y	N	N
1	Kaohsiung Pier Transportation Co., Ltd.	Universal Ready-mixed Concrete Industry Co., Ltd.	(3)	477,039	341,607	341,607	-	-	358	954,077	N	N	N
		The Company	(2)	477,039	319,928	319,928	-	-	335	954,077	N	Y	N
2	UCC Investment Co., Ltd.	Universal Ready-mixed Concrete Industry Co., Ltd.	(3)	5,720,461	132,564	132,564	-	-	12	11,440,922	N	N	N
		The Company	(2)	5,720,461	730,762	730,762	-	-	64	11,440,922	N	Y	N
3	Universal Ready-mixed Concrete Industry Co., Ltd.	The Company	(2)	629,059	157,561	157,561	-	-	25	629,059	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 Pier Transportation Co., Ltd. and UCC Investment Co., Ltd.

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.

TABLE 3

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

FOR THE YEAR ENDED DECEMBER 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	FOR THE YEAR ENDED DECEMBER 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	\$ 416,375	2.50	\$ 416,375	
	CTBC Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	28,441,983	1,112,082	0.14	1,112,082	
	Far EasTone Telecommunications Co., Ltd.	-	Financial assets at FVTOCI - current	306,219	27,376	0.01	27,376	
	CHC Resources Corp.	The Company acts as juristic director	Financial assets at FVTOCI - current	17,020,254	1,142,059	6.85	1,142,059	
	Creative Sensor Inc.	The Company acts as juristic director	Financial assets at FVTPL - current	142,200	8,887	0.11	8,887	
	Privately offered shares							
	Creative Sensor Inc.	The Company acts as juristic director	Financial assets at FVTOCI - non - current	11,700,000	592,020	8.72	592,020	
	Unlisted shares							
	Grand Bills Finance Corp.	The Company acts as juristic director	Financial assets at FVTOCI - non - current	43,999,488	579,913	8.14	579,913	
	Universal Real Estate Development Co., Ltd.	The Company acts as juristic director	Financial assets at FVTOCI - non - current	24,864,000	651,934	16.44	651,934	
	Universal Venture Capital Investment Corp.	-	Financial assets at FVTOCI - non - current	1,400,000	15,305	1.16	15,305	
	Chinatrust Investment Co., Ltd.	-	Financial assets at FVTOCI - non - current	1,981,995	70,372	1.05	70,372	
	Kaohsiung Rapid Transit Corp.	-	Financial assets at FVTOCI - non - current	1,286,063	12,640	0.46	12,640	
	Chie-Ho Engineering & Development Co., Ltd.	-	Financial assets at FVTOCI - non - current	171,131	-	0.16	-	
	Unison Environmental & Technical Services Co., Ltd.	-	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	372	-	372	
	Listed shares							
	Prince Housing & Development Corp.	The juristic director of the Company acts as juristic director	Financial assets at FVTOCI - current	42,375,900	434,353	2.61	434,353	
	Tainan Spinning Co., Ltd.	The juristic director of the Company acts as juristic director	Financial assets at FVTOCI - current	55	1	-	1	
	Privately offered shares							
	Creative Sensor Inc.	The Company acts as juristic director	Financial assets at FVTOCI - non - current	8,100,000	409,860	6.04	409,860	
	Unlisted shares							
	Pan Asia (Engineers&Constructors) Corp.	Subsidiary of the Company acts as juristic supervisor	Financial assets at FVTOCI - non-current	3,102,803	167,831	2.71	167,831	
	Darzhon Venture Corp.	Representative of the juristic director of the Company acts as director	Financial assets at FVTOCI - non-current	673,200	11,372	8.06	11,372	
	Darchan Venture Corp.	Representative of the juristic director of the Company acts as supervisor	Financial assets at FVTOCI - non-current	4,000,000	40,107	3.64	40,107	
	Limited partnership							
Tainan Ready-mixed Concrete Industry Co., Ltd.	Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FVTPL - non-current	-	40,948	3.23	40,948	
	Listed shares							
	CTBC Financial Holding Co., Ltd.	-	Financial assets at FVTOCI - current	60,000	2,346	-	2,346	
	CTBC Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTOCI - current	2,987	172	-	172	

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Purchaser/Seller	Counterparty	Relationship	Transaction Details				Differences in transaction terms compared to third party transactions		Notes/Accounts Receivable (Payable)		Note
			Purchases/Sales	Amount	Percentage of Total Purchases (Sales) (%)	Payment Terms	Unit Price	Credit Period	Balance	Percentage of Total Notes/Accounts Receivable (Payable)	
The Company	Kaohsiung Pier Transportation Co., Ltd. CHC Resources Corp. CHC Resources Corp. Universal Ready-mixed Concrete Industry Co., Ltd.	Subsidiary-100%  The Group acts as key management The Group acts as key management Same ultimate parent company	Freight expense	\$ 290,610	8	45 - 60 days after shipment	Note 1	Equivalent	(\$ 12,225)	( 2)	Note 2
			Purchase	268,073	8	30 - 65 days after shipment	Equivalent	Equivalent	-	-	
			Sale	( 129,351)	( 2)	30 - 60 days after sale	Equivalent	Equivalent	17,613	1	
			Sale	( 164,788)	( 2)	90-120 days after sale	Equivalent	Equivalent	42,998	3	

Note1: There is no comparison on the purchase price between related parties and the third parties because there is no similar product.

Note2: The prepayment balance is \$ 764 thousand as of Decemtember 31,2024.

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

## INFORMATION ON INVESTEEES

FOR THE YEAR ENDED DECEMBER 31, 2024

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2024	December 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	\$ 127,405	\$ 31,965	\$ 22,375	
	Chiayi Ready-mixed Concrete Industry Co., Ltd.	Chiayi County	Manufacturing and marketing of ready-mixed concrete	65,157	22,643	6,583,874	86.63	86,160	1,921	1,665	
	Kaohsiung Pier Transportation Co., Ltd.	Kaohsiung city	Trucking operation	74,580	74,580	7,560,000	100.00	95,408	( 1,126)	( 1,126)	
	UCC Investment Co., Ltd.	Taipei city	Investment activities	650,000	650,000	82,875,000	100.00	1,143,400	31,515	31,515	
	Universal Ready-mixed Concrete Industry Co., Ltd.	Taichung city	Manufacturing and marketing of ready-mixed concrete and gravel	33,887	33,887	7,698,963	58.18	371,137	113,663	67,694	
	Uneo Inc.	Taipei city	Marketing of electronic products	341,671	291,671	11,000,000	100.00	51,108	( 17,832)	( 17,832)	
	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	19,279	( 2)	( 2)	
	Lio-Ho Machine Works Ltd.	Taoyuan city	Manufacturing and marketing of metal parts and automotive components	174,997	174,997	89,581,468	29.86	11,347,505	1,590,817	475,018	
UCC Investment Co., Ltd.	Tainan Ready-mixed Concrete Industry Co., Ltd.	Tainan city	Additional processing and marketing of ready-mixed concrete and cement	238,180	238,180	2,023,624	67.45	1,010,666	( 23,698)	( 16,336)	
	Universal Ready-mixed Concrete Industry Co., Ltd.	Taichung city	Manufacturing and marketing of ready-mixed concrete and gravel	8,128	858	260,892	1.97	8,128			
	Chiayi Ready-mixed Concrete Industry Co., Ltd.	Chiayi County	Manufacturing and marketing of ready-mixed concrete	12	5	1,056	0.01	12			
	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 Ready-mixed Concrete Industry Co., Ltd.	Tainan city	Additional processing and marketing of ready-mixed concrete and cement	178	178	10,000	0.33	178			
	Lio-Ho Machine Works Ltd.	Taoyuan city	Manufacturing and marketing of metal parts and automotive components	93	93	1,680	-	93			
	Bao Horng Cement Corp.	Yilan County	Manufacturing and sales of cement and furnace slag related products	41,583	-	2,557,648	26.92	59,663			

## UNIVERSAL CEMENT CORPORATION AND SUBSIDIARIES

## INFORMATION ON MAJOR SHAREHOLDERS

DECEMBER31, 2024

Name of the major shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sheng-Yuan Investment Co., Ltd.	70,895,594	10.32%
Yu-Sheng Investment Co., Ltd	70,653,357	10.28%
HOU, BO-YI	54,494,358	7.93%

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.

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**Universal Cement Corporation****STATEMENT OF CASH****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars, Except Foreign Currency)**

<b>Item</b>	<b>Amount</b>
Cash on hand and petty cash	\$ 313
Bank deposits	
Checking accounts	69,390
Demand deposits	366,566
Foreign currency deposits (Note)	41,329
	477,285
	\$ 477,598

Note: Including US\$ 438,010.89, €\$ 1,313.09, RMB\$ 926,421.81, HK\$ 981.92 and JPY\$ 108,487,934.

( US\$1=\$32.785 、EUR\$1=\$34.14 、RMB\$1=4.478 、HKD\$1=\$4.222及JPY\$1=0.2099 )

Universal Cement Corporation

STATEMENTS OF FINANCIAL ASSETS AT FVTPL – CURRENT  
DECEMBER 31, 2024

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

Item	Number of shares	Amount	Acquisition costs	Fair Value (Note)		Guarantee provided or pledge
				Unit price (NT\$)	Total	
Domestic listed shares						
Creative Sensor Inc.	142,200	<u>\$ 8,887</u>	<u>\$ 7,627</u>	\$ 62.5	<u>\$ 8,887</u>	None

Note: Please refer to Note 30.



## Universal Cement Corporation

## STATEMENTS OF FINANCIAL ASSETS AT FVTOCI – CURRENT

DECEMBER 31, 2024

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

Item	Number of shares	Amount	Acquisition costs	Fair Value (Note)		Guarantee provided or pledge
				Unit price (NT\$)	Total	
Current						
Domestic listed shares						
Prince Housing & Development Corp.	40,621,948	\$ 416,375	\$ 601,561	\$ 10.25	\$ 416,375	None
CTBC Financial Holding Co., Ltd.	28,441,983	1,112,082	455,560	39.10	1,112,082	None
Far EasTone Telecommunications Co., Ltd.	306,219	27,376	20,974	89.40	27,376	None
CHC Resources Corp.	17,020,254	1,142,059	108,500	67.10	1,142,059	None
		<u>\$ 2,697,892</u>	<u>\$ 1,186,595</u>		<u>\$ 2,697,892</u>	

Note: Please refer to Note 30.

**Universal Cement Corporation****STATEMENT OF NOTES RECEIVABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

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<b>Name</b>	<b>Amount</b>
FU TSU Construction CO., LTD.	\$ 46,587
KUN YI Building Materials CO., LTD	25,967
VERIZON Construction CO., LTD	24,266
Others (Note)	279,227
	<u>\$ 376,047</u>

Note: The balance of each company is less than 5% of the balance under this item.

**Universal Cement Corporation****STATEMENT OF ACCOUNTS RECEIVABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

<b>Name</b>	<b>Amount</b>
Non-related party	
HUNG HSIN Building Materials CO., LTD.	\$ 62,833
FU TSU Construction Co., LTD.	64,255
Others (Note)	985,810
	<u>1,112,898</u>
Less: Loss allowance	<u>2,766</u>
	<u><u>\$ 1,110,132</u></u>
Related party	
CHC Resources Corp.	\$ 17,613
Pan Asia (Engineers&Constructors) Corp.	4,010
Others (Note)	2,213
	<u>23,836</u>
Less: Loss allowance	<u>32</u>
	<u><u>\$ 23,804</u></u>

Note: The balance of each company is less than 5% of the balance under this item.

**Universal Cement Corporation****STATEMENT OF INVENTORIES****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Amount</b>	
	<b>Costs</b>	<b>Net realizable value</b>
Finished goods	\$ 91,314	\$ 106,240
Work in progress	27,109	30,656
Raw materials	214,076	209,627
	<u>\$ 332,499</u>	<u>\$ 346,523</u>

Note: Please refer to Note 4 for the basis of net realizable value.

Universal Cement Corporation

STATEMENT OF FINANCIAL ASSETS AT FVTOCI -NON-CURRENT

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Name	Opening balance		Increase (decrease) during the year		Unrealized gain or loss on financial assets	Closing balance		Guarantee provided or pledge
	Number of shares	Amount	Number of shares	Amount		Number of shares	Fair value	
Privately offered shares of listed companies								
Creative Sensor Inc.	13,000,000	\$ 349,700	( 1,300,000)	(\$13,000)	\$ 255,320	11,700,000	\$ 592,020	None
Shares of unlisted companies								
Universal Venture Capital Investment Corp.	1,400,000	14,990	-	-	315	1,400,000	15,305	None
Chinatrust Investment Co., Ltd.	<b>1,981,995</b>	84,700	-	-	( 14,328)	1,981,995	70,372	None
Universal Real Estate Development Co., Ltd.	24,864,000	598,228	-	-	53,706	24,864,000	651,934	None
Grand Bills Finance Corp.	43,999,488	548,673	-	-	31,240	43,999,488	579,913	None
Kaohsiung Rapid Transit Corp.	1,286,063	12,286	-	-	354	1,286,063	12,640	None
		<u>\$ 1,608,577</u>		<u>(\$ 13,000)</u>	<u>\$ 326,607</u>		<u>\$ 1,922,184</u>	

Note: The decrease during the year was resulting from the proceeds from the capital reduction of Creative Sensor Inc., which is \$13,000 thousand.

## Universal Cement Corporation

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
DECEMBER 31, 2024

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

Name	Opening balance		Increase (decrease) during the year		Gain (Loss) on Investments	Capital Surplus	Actuarial Gains (Losses) from Defined Benefit Plans	Cumulative Translation Adjustments	Unrealized Gain (Loss) on Financial Products	Number of Shares	Closing balance				Note
	Number of Shares	Amount	Number of Shares	Amount							Shareholding (%)	Amount	Market Price or Net Equity	Guarantee Provided or Pledge	
Investment in subsidiary															
Huan-Chung International Co., Ltd.	6,999,333	\$ 117,559	-	(\$ 12,529)	\$ 22,375	\$ -	\$ -	\$ -	\$ -	6,999,333	69.99	\$ 127,405	\$ 127,405	None	Note 1
UCC Investment Co., Ltd.	75,000,000	872,621	7,875,000	-	31,515	-	-	-	239,264	82,875,000	100	1,143,400	1,143,400	None	Note 2
Universal Ready-mixed Concrete Industry Co., Ltd.	7,698,963	339,014	-	( 34,645)	67,694	( 926)	-	-	-	7,698,963	58.18	371,137	371,137	None	Note 1
Kaohsiung Pier Transportation Co., Ltd.	7,560,000	98,146	-	( 1,612)	( 1,126)	-	-	-	-	7,560,000	100	95,408	95,408	None	Note 1
Chiayi Ready-mixed Concrete Industry Co., Ltd.	2,252,378	41,180	4,331,496	43,315	1,665	-	-	-	-	6,583,874	86.63	86,160	86,160	None	Note 3
Uneo Inc.	6,000,000	18,940	5,000,000	50,000	( 17,832)	-	-	-	-	11,000,000	100	51,108	51,108	None	Note 3
Li-Yong Development Co., Ltd.	2,000,000	19,281	-	-	( 2)	-	-	-	-	2,000,000	100	19,279	19,279	None	
Tainan Ready-mixed Concrete Industry Co., Ltd.	2,023,624	1,087,279	-	( 60,709)	( 16,336)	-	-	-	432	2,023,624	67.45	1,010,666	1,010,666	None	Note 1
		<u>2,594,020</u>		<u>( 16,180)</u>	<u>87,953</u>	<u>- 926</u>	<u>0</u>	<u>-</u>	<u>239,696</u>			<u>2,904,563</u>	<u>2,904,563</u>		
Investment in associate															
Lio-Ho Machine Works Ltd.	89,581,468	10,804,541		( 447,907)	475,018	-	10,513	505,821	( 481)	89,581,468	29.86	11,347,505	11,347,505	None	Note 1
		<u>\$ 13,398,561</u>		<u>(\$ 464,087)</u>	<u>\$ 562,971</u>	<u>-\$ 926</u>	<u>\$ 10,513</u>	<u>\$ 505,821</u>	<u>\$ 239,215</u>			<u>\$ 14,252,068</u>	<u>\$ 14,252,068</u>		

Note 1: The decrease amount during the year was cash dividends received.

Note 2: The increase in the number of shares during the year was due to the capitalization of retained earnings by the investee.

Note 3: The increase during the year was due to cash capital contributions.

# Universal Cement Corporation

## STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Buildings	Transportation Equipment	Total
Costs			
Balance at January 1, 2024	\$ 51,725	\$ 24,950	\$ 76,675
Increase during the year	1,688	785	2,473
Decrease during the year	-	( 5,640)	( 5,640)
Remeasurement	23	-	23
Balance at December 31, 2024	<u>\$ 53,436</u>	<u>\$ 20,095</u>	<u>\$ 73,531</u>
Accumulated depreciation			
Balance at January 1, 2024	\$ 10,847	\$ 8,304	\$ 19,151
Decrease during the year	-	( 5,640)	( 5,640)
Depreciation expenses	7,872	4,467	12,339
Balance at December 31, 2024	<u>\$ 18,719</u>	<u>\$ 7,131</u>	<u>\$ 25,850</u>
Carrying amount at December 31, 2024	<u>\$ 34,717</u>	<u>\$ 12,964</u>	<u>\$ 47,681</u>

Note: Please refer to Note 31.

## Universal Cement Corporation

## STATEMENT OF SHORT-TERM LOANS

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Loan Period	Amount	Acquisition costs	Unit price (NT\$)	Total
Current					
First Commercial Bank	October 09, 2024 - January 07, 2025	1.85	\$ 150,000	\$ 600,000	None
First Commercial Bank	October 14, 2024 - January 07, 2025	1.85	80,000	600,000	None
Taiwan Shin Kong Commercial Bank	December 04, 2024 - January 04, 2025	1.99	100,000	300,000	None
Bank of Taiwan	November 12, 2024 - May 09, 2025	1.90	250,000	600,000	None
Bank of Taiwan	December 12, 2024 - May 09, 2025	1.90	70,000	600,000	None
Mizuho Bank	December 12, 2024 - January 10, 2025	1.95	300,000	300,000	None
CTBC Bank	December 26, 2024 - March 26, 2025	1.96	800,000	800,000	None
Yunta Commercial Bank	December 12, 2024 - March 12, 2025	1.94	350,000	700,000	None
			<u>\$ 2,100,000</u>		

Note : Refers to the period of utilization.



**Universal Cement Corporation****STATEMENT OF ACCOUNTS PAYABLE****DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Amount</b>
Non-related party	
TCC Group Holdings CO., Ltd.	\$ 206,624
Shiny G&M Associated Co., Ltd.	37,232
Sing Bee Enterprise Co., Ltd.	30,049
Others (Note)	250,529
	<u>\$ 524,434</u>
Related party	
Kaohsiung Pier Transportation Co., Ltd.	\$ 12,225
Pao Good Industrial Co., Ltd.	2,076
	<u>\$ 14,301</u>

Note: The balance of each company is less than 5% of the balance under this item.

# Universal Cement Corporation

## STATEMENT OF LEASE LIABILITIES

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

Item	Description	Lease period	Discount rate (%)	Closing balances
Building	Central Office	April 01, 2020 - March 31, 2025	0.9	\$ 100
Building	Southern office	August 01, 2023 - July 31, 2026	0.9	717
Building	Fengshan Concrete Plant	September 01, 2022 - August 31, 2029	0.9	33,069
Building	Taitang Tianfu Section	August 16, 2024 - August 16, 2029	0.9	1,578
Transportation equipment	Service car for headquarters	August 26, 2021 - August 26, 2025	0.9	403
Transportation equipment	Service car for Ta-Fu Gypsum Board Plant	December 30, 2020 - November 30, 2025	0.9	253
Transportation equipment	Service car for Yeun Kung Concrete Plant	November 30, 2022 - November 30, 2029	0.9	605
Transportation equipment	Service car for Ta-Fu Concrete Plant	November 30, 2022 - November 30, 2029	0.9	1,210
Transportation equipment	Service car for Xiaogang Concrete Plant	November 30, 2022 - November 30, 2029	0.9	1,210
Transportation equipment	Service car for Nantz Concrete Plant	November 30, 2022 - November 30, 2029	0.9	1,814
Transportation equipment	Service car for Yeun Kung Concrete Plant	March 10, 2023 - March 10, 2030	0.9	635
Transportation equipment	Service car for Chao zhou Concrete Plant	November 29, 2023 - November 29, 2030	0.9	2,293
Transportation equipment	Service car for headquarters	December 29, 2023 - December 28, 2027	1.7885	4,016
Transportation equipment	Service car for Yeun Kung Concrete Plant	May 29, 2024 - May 29, 2027	0.9	317
Transportation equipment	Service car for Xiaogang Concrete Plant	June 24, 2024 - June 24, 2027	0.9	317
				<u>\$ 48,537</u>

# Universal Cement Corporation

## STATEMENT OF NET REVENUES FOR THE YEAR ENDED DECEMBER 31, 2024 (In Thousands of New Taiwan Dollars)

Item	Quantity	Amount
Cement	264,275.72 t	\$ 836,604
Concrete	1,501,765 M <sup>3</sup>	4,215,299
Gypsum board	15,673,096.52 M <sup>2</sup>	1,107,284
Others		17,964
		6,177,151
Less: sales return and discounts		37,718
		\$ 6,139,433

**Universal Cement Corporation****STATEMENT OF OPERATING COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2024****(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Amount</b>
Raw materials at the beginning of the year	\$ 202,424
Add: Incoming materials during the year	2,600,634
Others	2,209
Less: Raw materials at the end of the year	214,076
Others	70,141
Direct raw materials used	2,521,050
Direct labor	93,712
Manufacturing expenses	1,156,289
Manufacturing costs	3,771,051
Add: Work in progress at the beginning of the year	8,932
Incoming materials during the year	884,392
Others	4,694
Less: Work in progress at the end of the year	27,109
Cost of finished goods	4,641,960
Add: Finished goods at the beginning of the year	124,393
Commodity Tax	61,922
Purchase of finished goods	20,233
Others	56,527
Less: Finished goods at the end of the year	91,314
Others	10,060
Cost of sales	4,803,661
Add: Unamortized fixed manufacturing expenses	14,610
Less: Revenue from sale of scraps	937
Others	1,967
Operating costs	\$ 4,815,367

## Universal Cement Corporation

STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars)

	Selling and marketing expenses	General and administrative expense	R&D expenses	Expected credit loss (gain)	Total
Salaries and wages, bonus, and employee's remuneration	\$ 26,177	\$ 52,884	\$ 35,828	\$ -	\$ 114,889
Remuneration to directors	-	55,820	-	-	55,820
Freight expenses	38,188	127	-	-	38,315
Commission expenses	39,230	-	-	-	39,230
Contracted research expenses	-	-	4,206	-	4,206
Depreciation	1,168	33,463	991	-	35,622
Expected credit loss (gain)	-	-	-	( 1,464)	( 1,464)
Others (Note)	17,838	91,212	24,672	-	133,722
	<u>\$ 122,601</u>	<u>\$ 233,506</u>	<u>\$ 65,697</u>	<u>(\$ 1,464)</u>	<u>\$ 420,340</u>

Note: The balance of each company is less than 5% of the balance under this item.

## Universal Cement Corporation

STATEMENT OF OPERATING EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(In Thousands of New Taiwan Dollars)

	FOR THE YEARS ENDED DECEMBER 31, 2024				FOR THE YEARS ENDED DECEMBER 31, 2023			
	Operating costs	Operating expenses	Non-operating income and expenses	Total	Operating costs	Operating expenses	Non-operating income and expenses	Total
Employee's benefit								
Salaries	\$ 335,955	\$ 114,889	\$ -	\$ 450,844	\$ 301,446	\$ 143,386	\$ -	\$ 444,832
Labor and health insurance premium	31,774	11,014	-	42,788	28,996	13,694	-	42,690
Pension	13,119	4,483	-	17,602	13,350	6,692	-	20,042
Director's remuneration	-	55,820	-	55,820	-	48,666	-	48,666
Others	7,937	10,771	-	18,708	5,250	11,215	-	16,465
	<u>\$ 388,785</u>	<u>\$ 196,977</u>	<u>\$ -</u>	<u>\$ 585,762</u>	<u>\$ 349,042</u>	<u>\$ 223,653</u>	<u>\$ -</u>	<u>\$ 572,695</u>
Depreciation	<u>\$ 123,875</u>	<u>\$ 35,622</u>	<u>\$ 567</u>	<u>\$ 160,064</u>	<u>\$ 96,774</u>	<u>\$ 29,126</u>	<u>\$ 567</u>	<u>\$ 126,467</u>
Amortization	<u>\$ 546</u>	<u>\$ 3,032</u>	<u>\$ -</u>	<u>\$ 3,578</u>	<u>\$ 572</u>	<u>\$ 3,054</u>	<u>\$ -</u>	<u>\$ 3,626</u>

## Note:

- Number of employees for the current year and the previous year was 536 and 538, respectively, in which there were both 4 directors who are not concurrently employees.
- Companies whose shares are listed and traded on TWSE or TPEx shall disclose the following information:
  - Average employee's benefit expenses for the year amounted to NTS981 thousand ("total employee's benefit expenses for the year – total director's remuneration"/"number of employees for the year – number of directors who are not concurrently employees"). Average employee's benefit expenses for the previous year amounted to NTS899 thousand ("total employee's benefit expenses for the previous year – total director's remuneration"/"number of employees for the previous year – number of directors who are not concurrently employees").
  - Average employee's salary expenses for the year amounted to NTS833 thousand (total salary expenses for the year/"number of employees for the year – number of directors who are not concurrently employees"). Average employee's salary expenses for the previous year amounted to NTS840 thousand (total salary expenses for the previous year/"number of employees for the previous year – number of directors who are not concurrently employees").
    - Average adjustments and changes in employee's salary expenses achieved 1% ("average employee's salary expenses for the year - average employee's salary expenses for the previous year"/average employee's salary expenses for the previous year).
- The Company has established its Audit Committee, and the Company has no supervisor.
- Salary and remuneration policy:
  - Remuneration shall be provided for directors of the Company in executing the Company's businesses, and the amount shall be subject to its participation in the Company's operations and the value of its contribution. According to the requirements under Article 29 of the Company's articles of association, the remuneration for the Company's chairman, vice-chairman, and directors regarding the execution of their duties shall be determined by the board of directors based on the standards within the industry, taking into account its contribution, performance and the future risks of the Company. Furthermore, according to Article 33, where the Company recorded a profit during the year, the board of directors may resolve to allocate no more than 3% of the abovementioned profit as director's remuneration, which may only be distributed in cash.
  - General manager, vice general manager, assistant managers, and other management of the Company execute the Company's operations according to the orders from the board of directors; their remuneration shall be subject to the requirements of Article 31 of the Company's articles of association and Article 29 of the Company Act. The standards or the management's remuneration shall be determined based on its personal performance and its contribution to the overall operations of the Company, with reference to the payment standards in the market.
  - For directors and management listed in paragraphs (1) and (2) above, their salary and remuneration policy, system, standard, and structure shall be subject to the requirements under the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, and submitted to the Remuneration Committee for review and discussion.
  - The employee's remuneration policy is determined based on personal competency, contribution to the Company, performance, market value of the post, taking into account the future operating risks of the Company, which shall be positively correlated to the operating performance. Where the Company recorded a profit for the year, the Company shall allocate no less than 1% as the employee's remuneration according to the requirements under the Articles of Association. The overall remuneration package for employees primarily includes the fixed basic salaries, bonuses, and benefits. Regarding the payment standards, fixed basic salaries are approved and paid in accordance with the market trend of the post held by employees, bonuses are distributed based on the achievement of the employee's and the department's objectives and the Company's operating performance, while benefits are designed for employees according to the requirements under the laws and regulations, with equal considerations given to the demands of employees.