



潤泰精密材料 RUENTEX MATERIALS Co.,Ltd



RUENTEX

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2023 Annual Report



潤泰精密材料股份有限公司  
RUENTEX MATERIALS Co., Ltd.



# ANNUAL REPORT

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# 2023



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URL : [www.rtm.com.tw](http://www.rtm.com.tw)

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# One. Report to Shareholders

Dear shareholders, ladies, and gentlemen:

## I. Business overview for 2023:

For the year 2023, the Company reported consolidated revenues of NT\$5,500.87 million (up 29% from the previous year), consolidated gross profit of NT\$625.01 million (up 49%), gross profit margin of 11%, consolidated operating profit of NT\$290.31 million (up 113%), net operating margin of 5%, consolidated net income of NT\$210.95 million, a NT\$114.98 million net profit attributable to owners of the parent company, and a NT\$0.77 earnings per share.

As a result of the operation of the current year, the cement business has increased profits due to stable production equipment and increased sales volume compared to the previous year. In addition, the building materials business, where ready-mixed mortar(RT-MIX) is made, is used in the decoration stage of construction projects, and the market continues to be active. The overall production and sales volume increased compared to the previous year.

In summary, the Company's overall profit has grown compared to the previous year.

## II. Budget Implementation

The Company did not public financial predict of 2023 according to Standards for Handling Public Financial Forecast Information of Publicly Issued Companies, so there's no budget implementation.

## III. Summary of the 2024 Business Plan

Unit: Tons

Type of product	Production Volume	Shipment Volume
Cement, ground granulated blast furnace slag (GGBS)	660,000~700,000	660,000~700,000
Construction Materials	500,000~550,000	500,000~550,000

## IV. Research and Development

The Company will continue its efforts in corporate transformation and investment, hoping to innovate R&D from the perspective of customers, develop high-performance niche products, enhance product competitiveness through differentiation, and create value for the Company and the industry. In light of global climate change and rising environmental awareness, the Company continues to optimize and introduce new cement products that offer energy and carbon reduction benefits. In addition, ShifuGrout U799, an underwater grouting material developed by the Company for offshore wind power, has obtained international third-party product certification, and has become a supplier of ultra-high-strength foundation grouting materials for offshore wind turbines; further developed ShifuGrout U769 for SILO silo systems, Product certification in 2024 is expected; in response to the goal of net zero emissions by 2050, in terms of the carbon reduction strategy for the construction industry, the Company not only invests in low-carbon cement manufacturing technology, but also actively develops green recycled environmental protection and energy-saving building materials "lightweight microbeads", not only to recycle and reuse materials, but also to create a circular green building. This porous functional material has multiple properties such as low density, high strength, light weight, low thermal conductivity, and low water absorption, making it suitable as an intermediate material for thermal insulation, crack resistance, and sound absorption. Thermal insulation and energy saving applications are frequent in the current building market. It can also be widely used in clay building materials, paints, plastic lightweight fillings, floating materials

and other applications.

## V. Future Outlook

### (I) Outlook of the Cement Market

Looking into the domestic cement industry in 2024, the continued promotion of the Foresight Project, the return of investment from Taiwanese businessmen abroad, the expansion of factories in the IT semiconductor industry, the increase in demand for public works, and the increase in new green energy projects such as solar energy and wind power can all drive the growth of cement demand. The domestic cement market in 2024 is expected to be flat compared to 2023.

### (II) Market prospect of construction materials

The ready-mixed mortar (RT-mixed) has been increasingly trusted and used by customers. It is expected that the overall sales volume will still perform well in 2024 with the expansion of the market share. For the construction materials agency business, for the first time in cooperation with the Japanese listed company NIHON FLUSH Wooden Door Production Co., Ltd., the Company believes that with products of quality and functions, and our complete distribution channels deployment, and the advantages of the warehouse storage and distribution, and management services, we can make a rapid market entry.

In response to the government's strategy for the offshore wind power industry, the Company has developed offshore wind power underwater foundation grouting materials and has promoted the advantages and contributions of the Company's products to the government's green energy policy in the offshore wind power market. The HDD casing is filled with thermally conductive mud T508 this year. We will also continue to work to increase the visibility of our products in the wind power market, and continue to actively visit the upstream, midstream and downstream of the wind power industry. In response to the needs of developers in future wind farms, the Company has also developed a material G705 that can be applied to negative pressure caisson foundations. This will improve the Company's revenue and profit in the future.

### (III) Outlook of Demand for Interior Renovation and Design

The Company's subsidiaries are committed to providing customers with high-quality interior decoration design and related engineering services. Looking to the future, Taiwanese companies have successively returned to establish their headquarters. In addition, the incentive policies for large-scale government urban renewal projects and for dangerous and old buildings have been accelerated. They have also actively participated in the joint development projects of transportation and railroads, including shopping malls, office buildings, and high-end residential public facilities and other large-scale projects. We have integrated aesthetics and sensory experience into the details of design and construction, and continue to create stable profits with high-quality one-stop services.

### (IV) Influence of External Competition, Legal Environment, and Macro Business Environment

In recent years, the unstable external environment has brought challenges but also created many opportunities for growth. In 2024, the Foresight project will continue to be promoted, the Taiwanese capital will return, the domestic economy will gradually recover, and the rigid demand in the real estate market will continue. The construction-related peripheral industries are still booming, and the development of various business entities is expected to grow compared to the previous year.

Looking forward to the future, the Company will continue to work hard and uphold the basic concept of "innovation and change, and conscientiousness in each product." By fully developing the Company's core areas of expertise, it will fulfill the long-term expectations of our shareholders, employees, customers and suppliers. We also hope to

strengthen the connection with customers, become the trusted first choice for cooperation partners, and aim to become a world-class construction material company.

I wish all shareholders,

Good health and all the best,

Chairman **Mo, Wei-Han**

## Two. Company Profile

I. Date of Establishment: September 23, 1992

Tax ID Number: 86871981

II. Corporate History:

Time	Company History
September 1992	Founded Ruentex Cement Co., Ltd. with paid-up capital of NT\$25,000 thousand.
December 1992	Completed a cash issue of NT\$173,000 thousand for working capital, which increased paid-up capital to NT\$198,000 thousand.
December 1992	Acquired Hua Hsin Mine.
October 2001	Completed a cash issue of NT\$26,000 thousand, increasing paid-up capital to NT\$224,000 thousand.
March 2009	Tendered for Rebar's Yilan Dongshan Cement Factory and acquired the underlying assets.
April 2009	Reduced capital against cumulative losses by NT\$64,411 thousand and completed a cash issue of NT\$700,000 thousand, increasing paid-up capital to NT\$859,589 thousand.
July 2009	Ruentex Cement's Dongshan Plant commenced production of cement.
August 2009	Commenced sale of "Ruentex Cement".
September 2009	Passed the quality management system evaluation by the Bureau of Standards, Metrology, and Inspection, Ministry of Economic Affairs, and registered for ISO9001:2008.
September 2009	Passed the CNS review by the Bureau of Standards, Metrology, and Inspection, Ministry of Economic Affairs, and received the CNS mark for Portland Cement.
January 2010	Ruentex Cement Materials Laboratory received certification from the Taiwan Accreditation Foundation (TAF).
March 2010	Made an interim capital reduction against cumulative losses by NT\$135,231 thousand and completed a cash issue of NT\$10,000 thousand according to legal requirements. Paid-up capital was reduced to NT\$734,358 thousand.
March 2010	Passed the CNS review by the Bureau of Standards, Metrology, and Inspection, Ministry of Economic Affairs, and received the CNS mark for Portland Cement Type 2.
March 2011	Passed the CNS review by the Bureau of Standards, Metrology, and Inspection, Ministry of Economic Affairs, and received the CNS mark for Water-hardened Hybrid - Portland Blast Furnace Slag Cement [IS(<70)].

Time	Company History
August 2011	Passed the environmental management system evaluation by the Bureau of Standards, Metrology, and Inspection, Ministry of Economic Affairs, and registered for ISO14000:2004.
October 2011	Passed the occupational health and safety management system evaluation by the Bureau of Standards, Metrology, and Inspection, Ministry of Economic Affairs, and registered for OHSAS18001:2007/TOSHMS:2007.
October 2011	Won the “12 <sup>th</sup> National Standardization Award” organized by the Ministry of Economic Affairs.
October 2011	Became the nation’s first manufacturer to print quality traceability codes on bagged cement.
April 2012	Remodeled preheaters of the RSP (Reinforced Suspension Preheater) system for improved product quality and lower energy consumption.
June 2012	The “Ruentex Cement Co., Ltd. Ruentex Lankan Mine” was awarded “2011 Outstanding Worker Health and Safety by the Council of Labor Affairs, Executive Yuan”.
July 2012	The Company acquired the “Construction Materials Division” from Ruentex Engineering & Construction Co., Ltd. on July 1 to complement the production and sale of its ready mix and cement products, enhance market competitiveness, and diversify product lines.
December 2012	Named “2012 Outstanding Greenhouse Gas Reduction Performer” by the Industrial Development Bureau, Ministry of Economic Affairs.
January 2013	Bagged cement products passed “MIT Certification” of the Industrial Development Bureau, Ministry of Economic Affairs.
November 2013	The Dongshan Plant won the 2013 Energy Conservation Excellence Award from the Ministry of Economic Affairs.
January 2014	The Company was renamed “Ruentex Materials Co., Ltd.”.
January 2014	In an attempt to consolidate resources, expand the scale of business, and enhance competitiveness, the Company made a NT\$180,000 thousand cash issue to acquire “Ruentex Interior Design Inc.” as a 100%-owned subsidiary.
May 2014	Completed a cash issue of 42,680 thousand shares at face value of NT\$10 each, increasing paid-up capital to NT\$1,341,158 thousand.
August 2014	Shares were publicly offered.
September 2014	Shares were listed on the Emerging Stock Market.
December 2014	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
July 2015	Completed a cash issue of 15,884,185 shares at face value of NT\$10 each, increasing paid-up capital to NT\$1,500,000 thousand.
July 2015	Shares of the Company were listed for trading on the Taiwan Stock Exchange Corporation (TWSE) on July 13, 2015.

Time	Company History
December 2015	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
August 2016	Received a commendation for “2015 Outstanding Green Procurement Performance” from the Yilan County Government.
August 2016	Passed the Electronics Testing Center’s ISO 9001:2008/CNS 12681: Quality Management System.
December 2016	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
May 2017	For improved corporate governance and better professional support of Board duties, the Company assembled an Audit Committee that comprises the entirety of independent directors to replace supervisors in accordance with Article 14-4 of the Securities and Exchange Act.
August 2017	Passed certification of the Taiwan Testing and Certification Center (formerly known as the Electronics Testing Center) on ISO 14001:2015/CNS 14001:2016 - Environmental Management System.
November 2017	Passed certification of the Bureau Veritas Certification (Taiwan) Co., Ltd. on ISO 50001 - Energy Management System.
November 2017	Received a commendation from the Environmental Protection Administration, Executive Yuan, for “Outstanding Environmental Protection and Green Procurement Performance 2016”.
December 2017	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
August 2018	Passed the Electronics Testing Center’s ISO 9001:2015/CNS 12681:2016 - Quality Management System.
September 2018	Received a commendation from the Environmental Protection Administration, Executive Yuan, for “Outstanding Environmental Protection and Green Procurement Performance 2017”.
September 2018	Received a commendation for “2017 Outstanding Green Procurement Performance” from the Yilan County Government.
December 2018	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
August 2019	Passed the Electronics Testing Center’s ISO 9001:2015/CNS 12681:2016 Quality Management System.
August 2019	“Taigu Mettena” cement mortar products with six items of CM190/192/196/198 and STR121/126 were awarded “LCBA Certificate of Low Carbon Building Materials”.
September 2019	Received a commendation for “2018 Outstanding Green Procurement Performance” from the Yilan County Government.
September 2019	The Company’s proprietary “ShifuGrout U799 for Offshore Wind Turbines” passed certification of the DNV (DNV Business Assurance Co., Ltd.).

Time	Company History
October 2019	Passed certification of the Taiwan Testing and Certification Center (formerly known as the Electronics Testing Center) on ISO 45001/TOSHMS and CNS 45001:2018 - Occupational Health and Safety Management System (revised).
October 2019	Received a commendation from the Environmental Protection Administration, Executive Yuan, for “Outstanding Environmental Protection and Green Procurement Performance 2018”.
December 2019	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
September 2020	Received a commendation for “2019 Outstanding Green Procurement Performance” from the Yilan County Government.
October 2020	Passed certification of the Taiwan Testing and Certification Center (formerly known as the Electronics Testing Center) on ISO 45001/TOSHMS and CNS 45001:2018 - Occupational Health and Safety Management System (revised).
December 2020	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
January 2021	Passed certification of the Bureau Veritas Certification (Taiwan) Co., Ltd. on ISO 50001:2018 - Energy Management System (revised).
September 2021	Passed certification of the Taiwan Testing and Certification Center (formerly known as the Electronics Testing Center) on ISO 9001:2015/CNS 12681:2016 - Quality Management System.
October 2021	Received a commendation for “2020 Outstanding Green Procurement Performance” from the Yilan County Government.
November 2021	Received a commendation from the Environmental Protection Administration, Executive Yuan, for “Outstanding Environmental Protection and Green Procurement Performance 2020”.
November 2021	Awarded the “Excellent Award for Using Indigenous Organizations (Institutes)” by the Committee of Indigenous Peoples.
December 2021	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
September 2022	Received a commendation for “2021 Outstanding Green Procurement Performance” from the Yilan County Government.
September 2022	Bagged cement (Portland Cement Type I and Type II) is licensed to use the “MIT Smile Seal for Products Made in Taiwan Province” through the orthographic marking products issued by the Bureau of Standards and Inspection of the Ministry of Economic Affairs.
November 2022	Awarded a certificate of thanks for the “Great Contribution to Promoting National Employment” by the Labor Development Department of the Ministry of Labor, North Kiyihua Golden Horse Sub-office.
December 2022	Received a commendation from the Environmental Protection Administration, Executive Yuan, for “2021 Outstanding Environmental Protection and Green Procurement Performance”.

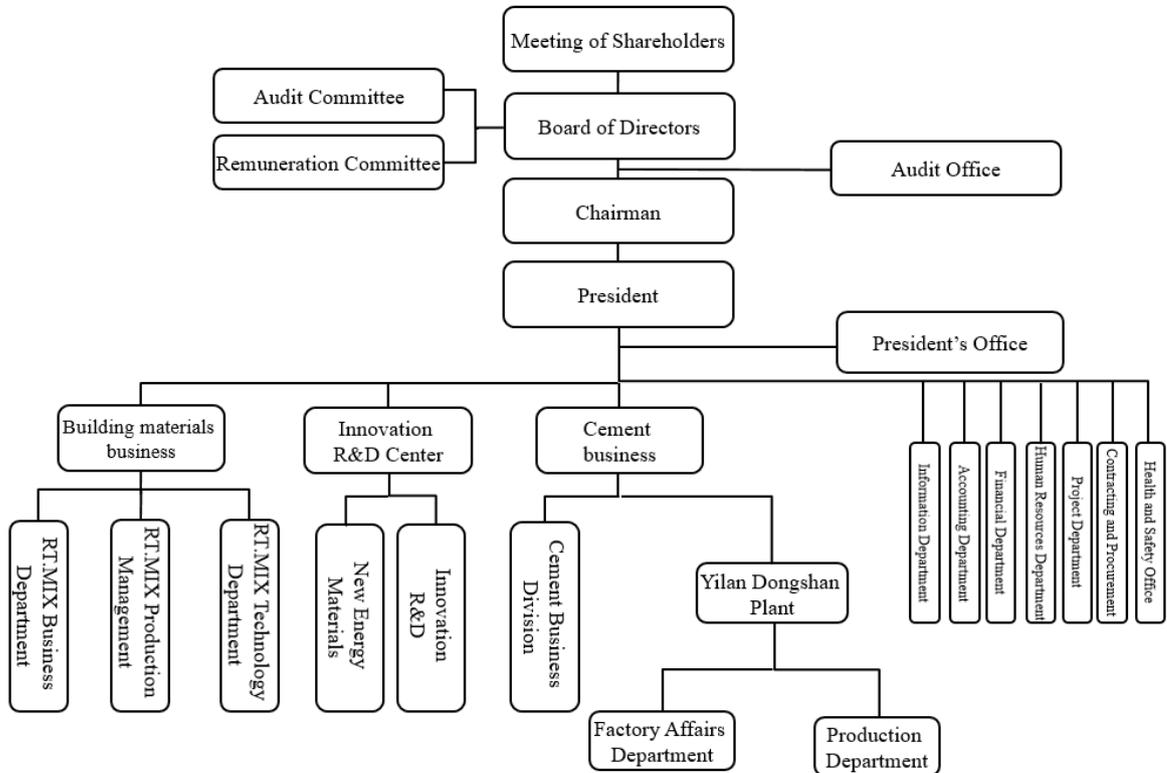
Time	Company History
December 2022	Taipei International Building Materials and Products Exhibition was awarded the “Excellent Exhibitor Image Award”.
September 2023	Received a commendation for “2022 Outstanding Green Procurement Performance” from the Yilan County Government.
November 2023	Awarded a certificate of thanks for the "Great Contribution to Promoting National Employment" by the Labor Development Department of the Ministry of Labor, North Kiyihua Golden Horse Sub-office.
December 2023	Received a commendation from the Environmental Protection Administration, Executive Yuan, for “2022 Outstanding Environmental Protection and Green Procurement Performance”.
December 2023	Selected for “2023 THE GREEN BOOK Taiwan's Green Sustainability Action and Solution Guide”.
December 2023	Taipei International Building Materials and Products Exhibition was awarded the "Excellent Exhibitor Image Award".

## Three. Governance

### I. Organization Structure

#### (I) Organization Framework

Organizational Chart of Ruentex Materials Co., Ltd.



#### (II) Department Functions and Duties

Segment	Responsibilities
Audit Office	Responsible for auditing the internal control system, presenting audit reports to the Board of Directors, offering timely improvement suggestions, assuring effective implementation of the internal control system, and assisting the management in various duties.
President's Office	Defines the Company's business strategies and operational goals; supervises goal execution and evaluates performance; inter-department integration, communication, and coordination; and gathering, consolidation, and analysis of important information.
Innovation R&D Center	Plans and develops new products in line with the Company's business strategies to sustain and strengthen long-term competitiveness; examines and improves current product line and production procedures; and evaluates use of alternative materials for reduction of production costs.
Information Department	Responsible for IT system implementation, installation of operating system software/hardware, maintenance and update of the software/network/webpage, and confidentiality and protection of information systems.
Human Resources Department	Responsible for human resources planning, recruitment, assignment, training, compensation, performance evaluation, and other related affairs.
Accounting Department	Annual budgeting and control; invoice issuance and account reconciliation; preparation of financial statements, tax filings, and accounting reports; and share-related affairs.
Financial Department	Responsible for cash disbursement, capital planning, credit control, seal management, and evaluation and execution of investment plans.
Project Department	Production planning and equipment optimization, implementation of development projects.
Contracting and Procurement	Supplier selection, price inquiry/negotiation/comparison, awarding of tenders, and supplier management and performance evaluation.

Segment	Responsibilities
Cement business	Sale, production, and quality inspection for cement products.
Building materials business	Sale, production, quality inspection, application of RT.MIX products, and import of construction materials.
Health and Safety Office	Oversees health and safety management matters and environmental/health hazards, and executes emergency response measures.

## II. Background Information of the Directors, the President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Departments and Branches

### (I) Directors' Backgrounds

#### 1. Name and Career (academic) Background of Directors, and the Types and Number of Shares Held

Data by: March 26, 2024; Unit: shares; %

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office (years)	Date First Elected (Note 3)	Shareholdings at the Time of Election to Office		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Chairman	ROC	Ruentex Engineering & Construction Co., Ltd.	-	May 31,2022	3	March 31, 2009	58,726,917	39.15%	58,726,917	39.15%	0	0%	0	0%	-	-	Nil	Nil	Nil	Nil
	ROC	Representative: Mo, Wei-Han	Male 71~80	May 31,2022		August 1, 2021	0	0%	0	0%	0	0%	0	0%	1. Master of Management, Asian Institute of Management 2. Vice President, Continental Engineering Corporation 3. Plant Manager of RSEA Engineering	Director and President, Ruentex Engineering & Construction Co., Ltd.	Nil	Nil	Nil	Nil
Director	ROC	Ruentex Industries Ltd.	-	May 31,2022	3	July 24, 1996	7,139,530	4.76%	7,139,530	4.76%	0	0%	0	0%	-	-	Nil	Nil	Nil	Nil
	ROC	Representative: Hsu, Sheng-Yu	Male 61~70	May 31,2022		January 26, 2022	0	0%	0	0%	0	0%	0	0%	1. Business Administration, National Taiwan University 2. CFO, RT-Mart China	1. Chairman, Ruentex Industries Ltd. and Kompas Global Sourcing Solutions Ltd. 2. Director, Ruentex Development Co., Ltd. and Ruen Chen Investment Holdings Ltd. 3. Director, Ruentex Xu-Zhan Development co., Ltd.	Nil	Nil	Nil	Nil
Director	ROC	Ruentex Engineering & Construction Co., Ltd.	-	May 31,2022	3	March 31, 2009	58,726,917	39.15%	58,726,917	39.15%	0	0%	0	0%	-	-	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office (years)	Date First Elected (Note 3)	Shareholdings at the Time of Election to Office		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
	ROC	Representative: Lee, Chih-Hung	Male 61~70	May 31,2022		March 31, 2009	700,000	0.47%	700,000	0.47%	0	0%	0	0%	1. Master of Commerce, National Taiwan University 2. Civil Engineer 3. Engineer, Chinese Management Association 4. President, Ruentex Engineering & Construction Co., Ltd.	1. Director and President, Ruentex Development Co., Ltd. 2. Director, Ruentex Industries Ltd. 3. Chairman, Ruentex Engineering & Construction Co., Ltd. 4. Director, Ruentex Construction & Development Co., Ltd. 5. Director, Ruentex Xu-Zhan Development co., Ltd. 6. Director, Ruentex Bai-Yi Development co., Ltd. 7. Director and President, Ruentex Development Co., Ltd. 8. President, Shing Yen Construction & Development Co., Ltd. 9. Supervisor, Chang Quan Investment Co., Ltd.	Nil	Nil	Nil	Nil
	ROC	Ruentex Industries Ltd.	-	May 31,2022		July 24, 1996	7,139,530	4.76%	7,139,530	4.76%	0	0%	0	0%	—	—	Nil	Nil	Nil	Nil
Director	ROC	Representative: Chen, Hsueh-Hsien	Male 61~70	May 31,2022	3	September 27, 2021	0	0%	0	0%	0	0%	0	0%	1. Master of Civil Engineering, National Central University 2. Vice President, Ruentex Development Co., Ltd. 3. President, Ruentex Property Management & Maintenance Co., Ltd.	President of the Company	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office (years)	Date First Elected (Note 3)	Shareholdings at the Time of Election to Office		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Director	ROC	Huei Hong Investment Co., Ltd.	-	May 31,2022	3	May 27, 2016	4,214,222	2.81%	4,214,222	2.81%	0	0%	0	0%	—	—	Nil	Nil	Nil	Nil
	ROC	Representative: Yin, Chung-Yao	Male 31~40	May 31,2022		May 27, 2016	0	0.00%	0	0.00%	0	0%	0	0%	PhD, University of Oxford, UK	1. Director, Ruentex Industries Ltd. 2. Director, Ruen Chen Investment Holdings Ltd. 3. Chairman, Nan Shan Life Insurance Co., Ltd. 4. Director, Nan Shan General Insurance Company, Ltd. 5. Director, Ruentex Development Co., Ltd. 6. Director, Ruentex Engineering & Construction Co., Ltd. 7. Director, Ruentex Xu-Zhan Development co., Ltd. 8. Director, Penglin Investment Co., Ltd. 9. Director, Yi Tai Investment Co., Ltd. 10. Director, Chang Quan Investment Co., Ltd. 11. Director, Ren Ying Industrial 12. Director, Ruentex Leasing Co., Ltd. 13. Director, The Tang Prize Foundation	Director	Yin, Chung-En	Sister and brother	Nil
Director	ROC	Huei Hong Investment Co., Ltd.	-	May 31,2022	3	May 27, 2016	4,214,222	2.81%	4,214,222	2.81%	0	0%	0	0%	—	—	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office (years)	Date First Elected (Note 3)	Shareholdings at the Time of Election to Office		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
	ROC	Representative: Yin,Chung-En	Female 41~50	November 23,2022		November 23,2022	0	0%	0	0%	0	0%	0	0%	Master of Institute of Accounting, National Chengchi University	1. Accountant of Everest CPA & Co. Certified Public Accountants 2. Member of the Evaluation and Forensic Accounting Committee and the Tax System Committee of the National Federation of Certified Public Accountants of the Republic of China 3. Member of the Sustainable Development Committee of Taipei City CPA Association 4. Supervisor, Ruentex Security Co., Ltd. 5. Supervisor, Ruen Fu Newlife Corp. 6. Director of Yin Xun Ruo Education Foundation 7. Director, Ruentex Leasing Co., Ltd.	Director	Yin, Chung-Yao	Sister and brother	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office (years)	Date First Elected (Note 3)	Shareholdings at the Time of Election to Office		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Independent Director	ROC	Chen, Ming-Chin	Male 51~60	May 31,2022	3	November 17, 2014	0	0.00%	0	0.00%	0	0%	0	0%	1. Ph.D. in Accounting, University of Arizona, USA 2. MBA, University of Pittsburgh, USA 3. Master of Accounting, National Chengchi University 4. Head of Accounting Department, National Chengchi University 5. Committee Member, Administrative Appeals Commission, Taipei City Government 6. Member of the CPA Discipline Committee, Financial Supervisory Commission 7. Member of the Listing Review Committee, Taiwan Stock Exchange Corporation	1. Professor of the Accounting Department, National Chengchi University 2. Independent Director, TaiMed Biologics, Inc. 3. Member of the Appeal Committee, Ministry of Finance 4. Independent director, Nan Shan Life Insurance Co., Ltd. 5. Independent director, OBI Pharma, Inc.	Nil	Nil	Nil	Nil
Independent Director	ROC	Chang, Ta-Peng	Male 71~80	May 31,2022	3	November 17, 2014	0	0.00%	0	0.00%	0	0%	0	0%	1. Ph.D., Northwestern University 2. Head of the Construction Engineering Department, National Taiwan University of Science and Technology 3. Chairman, Taiwan Concrete Institute (TCI) 4. Preliminary Jury for the Public Construction Golden Quality Award, Public Construction Commission 5. On-site Inspector for the MOTC Traffic Gold Award - Construction Category	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality or Registration Place	Name	Gender Age (Note 2)	Elected (Inaugurated) Date	Tenure of office (years)	Date First Elected (Note 3)	Shareholdings at the Time of Election to Office		Current shareholding		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Education and Experience (Note 4)	Concurrent Positions in The Company and Other Companies	Other Officers, Directors, or Supervisors of the Company Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 5)
							Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Independent Director	ROC	Huang, Shi-Jian	Male 61~70	May 31,2022	3	May 31,2022	0	0.00%	0	0.00%	0	0%	0	0%	Doctor of Structural Engineering, University of California, Berkeley, USA	1. Professor, Department of Civil Engineering, National Taiwan University 2. Director, National Center for Research on Earthquake Engineering 3. Chairman, Chinese Taiwan Society for Earthquake Engineering 4. Chairman of the Code Committee of Taiwan Province Concrete Society 5. Professor, Department of Architecture, National Taiwan Province University of Science and Technology	Nil	Nil	Nil	Nil

Note 1: The names of corporate shareholders and their representatives shall be listed separately (where they are representatives of corporate shareholders, the names of their corporate shareholders shall be indicated) and indicated in Table 1 below.

Note 2: Please prove the substantial age by means of age range, e.g., 41-50 years old or 51-60 years old.

Note 3: Each director's time of serving as the Company's director shall be indicated. If there is any interruption, it shall be indicated as well.

(1) Chen, Chih-Chuan, representative for director - Huei Hong Investment Co., Ltd. was resigned on November 23, 2022, and was succeeded by Yin, Chung-En on November 23, 2022.

Note 4: The hands-on experiences linked up with the current position title. If having served with the auditing and certifying Certified Public Accountant Office during the aforementioned period, please expressly indicate the position title and the duties in charge.

Note 5: In situations where the Company's President or manager of the highest equivalent grade is the same person as or a spouse or first-degree relative of the Chairman, please explain the reasons, rationality, and necessity of such an arrangement and any response measures taken (such as introduction of independent directors). Furthermore, disclose whether more than half of directors are involved in concurrent duties as employees or managers.

Note 6: The Company set up an Audit Committee on May 22, 2017.

## 2. Major Shareholders of the Corporate Shareholder

(1) Table 1: Major Shareholders of Corporate Shareholders

Data by: March 31, 2024

Name of Corporate Shareholder (Note 1)	Major Shareholders of the Corporate Shareholder (Note 2)	% of Shares Held
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	39.14%
	Ruentex Industries Ltd.	9.10%
	Yi Tai Investment Co., Ltd.	7.12%
	Yingjia Investment Co., Ltd.	6.25%
	Ruentex Xing Co. Ltd.	3.10%
	Qi, Wei-Gong	2.43%
	Ruen Hua Dyeing & Weaving Co., Ltd.	1.91%
	Sheng Cheng Investment Co., Ltd.	1.80%
	Diamond Hosiery And Thread Co., Ltd.	1.49%
	Chang Quan Investment Co., Ltd.	0.99%
Ruentex Industries Ltd.	Ruentex Development Co., Ltd.	14.28%
	Chang Quan Investment Co., Ltd.	6.18%
	Ruentex Engineering & Construction Co., Ltd.	4.55%
	Yi Tai Investment Co., Ltd.	4.24%
	Huei Hong Investment Co., Ltd.	4.02%
	Gin-Hong Investment Co., Ltd.	3.31%
	P-shares Taiwan Dividend Plus ETF, Yuanta	3.21%
	Sheng Cheng Investment Co., Ltd.	3.18%
	Yingjia Investment Co., Ltd.	3.14%
	Ruen Hua Dyeing & Weaving Co., Ltd.	1.88%
Huei Hong Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd.	63.53%
	Ruentex Xing Co. Ltd.	19.93%
	Yi Tai Investment Co., Ltd.	16.54%

Note 1: Where directors are representatives of corporate shareholders, the names of corporate shareholders are displayed.

Note 2: This chart shows the names and shareholding percentages of major shareholders (top 10 shareholders) in each of the Company's corporate shareholders. Table 2 below is used if the major shareholder is also a corporate entity.

Note 3: For corporate shareholders that are not corporate entities, the name of capital contributor or donor (after making inquiries with the Judicial Yuan) and percentage of capital contribution or donation are shown instead of the shareholder name and shareholding percentage. Deceased donors are noted "Deceased".

(2) Table 2: Major Shareholders of Corporate Shareholders in Table 1

Data by: March 31, 2024

Title of Corporate Shareholder (Note 1)	Major Shareholders of the Corporate Shareholder (Note 2)	Shareholding Percentage
Yingjia Investment Co., Ltd.	Chang Quan Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd.	75.86% 24.14%
Yi Tai Investment Co., Ltd.	Ren Ying Industrial Co., Ltd. Ruentex Xing Co. Ltd.	85.10% 14.90%
Ruen Hua Dyeing & Weaving Co., Ltd.	Ruentex Xing Co. Ltd. Ren Ying Industrial Co., Ltd. Chang Quan Investment Co., Ltd. Huei Hong Investment Co., Ltd. Samuel Yen-Liang Yin Yin Wong, Yee-Fan Yin Xun Ruo Education Foundation Yin, Chung-En	19.55% 19.14% 18.44% 17.96% 13.70% 6.55% 4.40% 0.26%
Chang Quan Investment Co., Ltd.	Huei Hong Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd. Ruentex Xing Co. Ltd.	48.00% 33.00% 19.00%
Diamond Hosiery And Thread Co., Ltd.	Wanda Company (BVI) Tai Yuen Textile Co., Ltd. Hsiang Wei Investment Co., Ltd. Shun-Wen Wu Industrial and Commercial Development Association Wei Wen Investment Co., Ltd. Lewen Enterprise Co., Ltd. Yen-Chen, Li-Lien Son of Yen-Chen, Li-Lien Daughter of Yen-Chen, Li-Lien	72.51% 21.97% 5.09% 0.17% 0.13% 0.13% 0.0002% 0.0002% 0.0002%
Ruentex Development Co., Ltd.	Ruentex Industries Ltd. Huei Hong Investment Co., Ltd. Yi Tai Investment Co., Ltd. Chang Quan Investment Co., Ltd. Ruen Hua Dyeing & Weaving Co., Ltd. Yingjia Investment Co., Ltd. The Tang Prize Foundation Ruentex Xing Co. Ltd. PGIA Integrated International ETF in Custody of JPMorgan Chase Vanguard FTSE Emerging Markets ETF Special Account, JPMorgan Chase	25.70% 6.72% 4.36% 3.97% 1.51% 1.22% 0.93% 0.88% 0.76% 0.73%

Title of Corporate Shareholder (Note 1)	Major Shareholders of the Corporate Shareholder (Note 2)	Shareholding Percentage
Ruentex Industries Ltd.	Ruentex Development Co., Ltd.	14.28%
	Chang Quan Investment Co., Ltd.	6.18%
	Ruentex Engineering & Construction Co., Ltd.	4.55%
	Yi Tai Investment Co., Ltd.	4.24%
	Huei Hong Investment Co., Ltd.	4.02%
	Gin-Hong Investment Co., Ltd.	3.31%
	P-shares Taiwan Dividend Plus ETF, Yuanta	3.21%
	Sheng Cheng Investment Co., Ltd.	3.18%
	Yingjia Investment Co., Ltd.	3.14%
	Ruen Hua Dyeing & Weaving Co., Ltd.	1.88%
Huei Hong Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd.	63.53%
	Ruentex Xing Co. Ltd.	19.93%
	Yi Tai Investment Co., Ltd.	16.54%
Gin-Hong Investment Co., Ltd.	Ruentex Industries Ltd.	55.00%
	Ruentex Development Co., Ltd.	30.00%
	Yingjia Investment Co., Ltd.	13.95%
	Ruentex Xing Co. Ltd.	1.05%
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd.	39.14%
	Ruentex Industries Ltd.	9.10%
	Yi Tai Investment Co., Ltd.	7.12%
	Yingjia Investment Co., Ltd.	6.25%
	Ruentex Xing Co. Ltd.	3.10%
	Qi, Wei-Gong	2.43%
	Ruen Hua Dyeing & Weaving Co., Ltd.	1.91%
	Sheng Cheng Investment Co., Ltd.	1.80%
	Diamond Hosiery And Thread Co., Ltd.	1.49%
	Chang Quan Investment Co., Ltd.	0.99%
Ruentex Xing Co. Ltd.	Samuel Yen-Liang Yin	99.997%
	Yin Wong, Yee-Fan	0.003%
P-shares Taiwan Dividend Plus ETF, Yuanta	Not applicable	
Sheng Cheng Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd.	48.98%
	Ren Ying Industrial Co., Ltd.	23.81%
	Yingjia Investment Co., Ltd.	17.31%
	Huei Hong Investment Co., Ltd.	9.90%

Note 1: Where the major shareholders listed in Table 1 are corporate entities, the names of the corporate entities are displayed.

Note 2: This chart shows the names and shareholding percentages of major shareholders (top 10 shareholders) in each of the Company's corporate shareholders.

Note 3: For corporate shareholders that are not corporate entities, the name of capital contributor or donor (after making inquiries with the Judicial Yuan) and percentage of capital contribution or donation are shown instead of the shareholder name and shareholding percentage. Deceased donors are noted “Deceased”.

### 3. Disclosure of the professional qualifications and independence of independent directors:

Data by: March 31, 2024

Requirements Name	Professional qualification requirements and experiences (Note 1)	Independence Criteria (Note 2)	Concurrently an Independent Director for Other Public Companies
Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han (Note 5)	Possesses at least five years of relevant work experience. Formerly served as the Vice President of the Continental Engineering Corporation and currently serves as the Chairman of the Company and President of Ruentex Engineering & Construction Co., Ltd. Does not exhibit any of the conditions listed in Article 30 of The Company Act.	See page 26 of the Annual Report for updates on the implementation of Board diversity policy.	0
Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu (Note 6)	Possesses at least five years of relevant work experience. Formerly served as the CFO, RT-Mart China and currently serves as the Chairman of Ruentex Industries Ltd. Does not exhibit any of the conditions listed in Article 30 of The Company Act.	See page 26 of the Annual Report for updates on the implementation of Board diversity policy.	0
Ruentex Engineering & Construction Co., Ltd. Representative: Lee, Chih-Hung	Possesses at least five years of relevant work experience and holds certification as an civil engineer. Currently serves as the Chairman of Ruentex Engineering & Construction Co., Ltd. and President of Ruentex Development Co., Ltd. Does not exhibit any of the conditions listed in Article 30 of The Company Act.	See page 26 of the Annual Report for updates on the implementation of Board diversity policy.	0
Ruentex Industries Ltd. Representative: Chen, Hsueh-Hsien (Note 7)	Possesses at least five years of relevant work experience. Formerly served as the President of Ruentex Property Management & Maintenance Co., Ltd. and currently serves as the President of the Company. Does not exhibit any of the conditions listed in Article 30 of The Company Act.	See page 26 of the Annual Report for updates on the implementation of Board diversity policy.	0
Huei Hong Investment Co., Ltd. Representative: Yin, Chung-Yao	Possesses at least five years of relevant work experience. Graduated from Oxford University with a doctoral degree. Currently serves as the Deputy Chairman of Nan Shan Life Insurance Co., Ltd. Does not exhibit any of the conditions listed in Article 30 of The Company Act.	See page 26 of the Annual Report for updates on the implementation of Board diversity policy.	0

Requirements Name	Professional qualification requirements and experiences (Note 1)	Independence Criteria (Note 2)	Concurrently an Independent Director for Other Public Companies
Huei Hong Investment Co., Ltd. Representative: Yin, Chung-En (Note 5)	Possesses at least five years of relevant work experience. Graduated from Institute of Accounting, National Chengchi University with a master's degree. Currently serves as an accountant of Everest CPA & Co. Certified Public Accountants. Does not exhibit any of the conditions listed in Article 30 of the Company Act. Possesses an academic and professional background in financial management.	See page 26 of the Annual Report for updates on the implementation of Board diversity policy.	0
Chen, Ming-Chin	Possesses at least five years of relevant work experience. Graduated from Arizona State University with a Ph.D. degree in Accounting. Currently serves as a Professor of Accounting at National Chengchi University. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Possesses an academic and professional background in financial management.	(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof. (2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0 (3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee. (4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0	2

Requirements Name	Professional qualification requirements and experiences (Note 1)	Independence Criteria (Note 2)	Concurrently an Independent Director for Other Public Companies
Chang, Ta-Peng	Possesses at least five years of relevant work experience. Graduated from Northwestern University with a doctoral degree. Does not exhibit any of the conditions listed in Article 30 of The Company Act. Possesses an academic and professional background in construction management.	<p>(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof.</p> <p>(2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0</p> <p>(3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee.</p> <p>(4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0</p>	0

Requirements Name	Professional qualification requirements and experiences (Note 1)	Independence Criteria (Note 2)	Concurrently an Independent Director for Other Public Companies
Huang, Shi-Jian	Possesses at least five years of relevant work experience. Graduated from University of California, Berkeley, USA with a doctoral degree of Structural Engineering. Currently serves as a Professor, Department of Civil Engineering, National Taiwan University. Does not exhibit any of the conditions listed in Article 30 of the Company Act. Possesses an academic and professional background in construction management.	(1) The principal person, his or her spouse, blood relative within the second degree of kinship have not served as the director and supervisor or employee in the Company or an affiliated enterprise thereof. (2) The number of shares held by the principal person, his or her spouse, blood relative within the second degree of kinship (or in the name of another): 0 (3) Having not served with the Company or a company with specific relationship with the Company as director and supervisor or employee. (4) The amount of remuneration received by the Company or its affiliated enterprises for commercial, legal, financial, accounting services rendered within the most recent two years: 0	0

Note 1: Professional Qualification and Experience: Describe the professional qualification and experience of individual directors and supervisors; for Audit Committee members with accounting or financial expertise, describe their background and work experience in the field of accounting or finance. Also, explain whether any of the conditions mentioned in Article 30 of The Company Act applies.

Note 2: For independent directors, describe compliance with the independence criteria, including but not limited to: whether they themselves or their spouse or 2<sup>nd</sup>-degree relative or closer serve as a director, supervisor, or employee at the Company or any of its affiliated enterprises; the number and percentage of shareholding in the Company by themselves, their spouse, 2<sup>nd</sup>-degree relatives or closer (or proxy holder); whether they assume the position as director, supervisor, or employee in any entity that the Company has

special relationship with (see Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and amount of compensation received from the Company or affiliated enterprises thereof in the last two years for commercial, legal, financial, or accounting services rendered.

Note 3: In terms of method of disclosure, please refer to the website of Corporate Governance Center of Taiwan Stock Exchange Corporation as the best prototype for reference.

Note 4: The Company set up an Audit Committee on May 22, 2017.

Note 5: Chen, Chih-Chuan, representative for director - Huei Hong Investment Co., Ltd. was resigned on November 23, 2022, and was succeeded by Yin, Chung-En on November 23, 2022.

4. Diversification and independence of the Board of Directors:

(1) Board Diversity: The Company has devised a set of diversity guidelines for the composition of Board members based on Article 20 of the “Corporate Governance Best Practice Principles”, and enforces the guidelines accordingly. In terms of composition of the Board of Directors, the Company takes diversification into serious account. The directors concurrently serving as the managerial officers shall not exceed one-third of the total number of directorship seats, Toward the hands-on operation, operating styles and demand for business development, the Company has set up policies toward diversification, including but not limited to the standards/criteria toward the two major aspects below:

- I. Background and Values: Gender, age, nationality, culture, etc.
- II. Professional expertise and skills: Professional backgrounds (e.g., laws, accounting, industries, finance, marketing or technologies), professional expertise and industries related hands-on experiences.

The Board members shall, in general, possess the know-how, skills and qualities as essential to perform the respective duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- I. Ability to make operational judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to conduct management administration.
- IV. Ability to conduct crisis management.
- V. Industry-specific Knowledge
- VI. An international market perspective.
- VII. Ability to lead.
- VIII. Ability to make policy decisions.

Implementation of the Board Diversity Policy:

The current Board comprises 9 directors, including 3 independent directors. The Board as a whole possesses extensive experience and professional capacity in fields such as industry knowledge, finance, and administration. Implementation progress is explained below:

Core Competency Diversity Director Name	Basic Information					The professional qualifications and hands-on experiences							Facts about independence attribute				Concurrently an Independent Director for Other Public Companies
	Nationality	Gender	Age		Employee Status	Experience in the Industry		Professional Capabilities				Not under any of the categories stated in Article 30 of the Company Act	Seniority as a Director			No spouse or relative within two degrees of kinship between directors or supervisors	
			31 to 60	61 to 80		Construction and Management	Finance	Law	Accounting	Risk Management	Leadership and Decision-making		Less than 3 years	3 to 9 years	More than 9 years		
Mo, Wei-Han	ROC	Male		✓		✓					✓	✓	✓			✓	0
Lee, Chih-Hung	ROC	Male		✓		✓					✓	✓	✓			✓	0
Hsu, Sheng-Yu	ROC	Male		✓			✓			✓	✓	✓	✓			✓	0
Chen, Hsueh-Hsien	ROC	Male		✓	✓	✓					✓	✓	✓			✓	0
Yin, Chung-Yao	ROC	Male	✓					✓			✓	✓	✓		✓		0
Yin, Chung-En	ROC	Female	✓				✓	✓	✓	✓	✓	✓	✓				0
Chen, Ming-Chin (Independent Director)	ROC	Male	✓				✓			✓	✓	✓			✓	✓	2
Chang, Ta-Peng (Independent Director)	ROC	Male		✓		✓					✓	✓	✓		✓	✓	0
Huang, Shi-Jian (Independent Director)	ROC	Male		✓		✓					✓	✓	✓			✓	0

(2) Board Independence: The Company currently has 9 members on the Board, including 3 independent directors and 1 non-independent director that assumes concurrent employment (representing 33% and 11% of total Board members, respectively). All independent directors had met the requirements set forth by the Securities and Futures Bureau, Financial Supervisory Commission, as of the end of 2023, and none of the independent and non-independent directors exhibited any of the conditions described in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. The Board of Directors is deemed to have satisfied the independence criteria (please see “Disclosure of the Professional Qualifications and Independence of Independent Directors” on pages 20-24 of the Annual Report). Details on directors’ background, gender, and work experience are presented in pages 11-16 - “Directors’ Backgrounds” of the Annual Report.

## (II) Background Information of the President, Vice Presidents, Assistant Vice Presidents, and Chiefs of Departments and Branches

Data by: March 26, 2024; Unit: shares; %

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
President	ROC	Chen, Hsueh- Hsien	Male	October 5, 2021	0	0%	0	0%	0	0%	1. Master of Civil Engineering, National Central University 2. Vice President, Ruentex Development Co., Ltd. 3. President, Ruentex Property Management & Maintenance Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Executive Vice President of Building Materials	ROC	Lin, Yi- Chieh	Female	July 11, 2018 (got promoted on February 6, 2023)	190,000	0.13%	0	0%	0	0%	1. Master of Bio-industry Management, National Taipei University of Technology 2. Assistant Vice President, Ruentex Engineering & Construction Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Cheng, Jui-Pin	Male	March 7, 2011	0	0%	0	0%	0	0%	1. Ph.D. in Civil Engineering, National Taiwan University 2. Superintendent of the Taiwan Construction Research Institute 3. Manager, Ruentex Engineering & Construction Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Vice President	ROC	Lee, Yi- Che	Male	January 4, 2016	0	0%	0	0%	0	0%	1. Ph.D. in Mechanical Engineering, National Taiwan University 2. Manager at L&K Precision Technology Co., Ltd. 3. Assistant Vice President at Bull Will Co., Ltd. 4. President, Endi Technology Co., Ltd. 5. Vice President, Kynotek Radio Co., Ltd. 6. President, Mining Business at Chien Kuo Construction	Nil	Nil	Nil	Nil	Nil
Head of Cement Businesses Vice President	ROC	Huang, Chin-Hua	Male	April 1, 2021	0	0%	0	0%	0	0%	1. Master of Civil Engineering, National Chiao Tung University 2. Supervising Engineer at Hsien- Rui Lin Architects 3. Structural Engineer at United Geotech Inc. 4. Structural Engineer at CTCI Corporation	Nil	Nil	Nil	Nil	Nil
Vice President	ROC	Yang, Ching- Ting	Male	March 19, 2024	400,000	0.27%	0	0%	0	0%	1. Ph.D., Department of Civil Engineering, National Chiao Tung University 2. Assistant Vice President, Ruentex Engineering & Construction Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Associate director of accounting Chief Governance Officer Assistant Vice President	ROC	Wu, Po- Chung	Male	June 1,2022 (Note 3)	0	0%	0	0%	0	0%	1. Master of Accounting Department of National Chengchi University 2. Junior Manager, Ruentex Development Co., Ltd. 3. Manager of PwC Taiwan	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Lee, Jih- Tsao	Male	March 1, 2012	0	0%	0	0%	0	0%	1. Department of Civil Engineering, Fu-Hsing College of Technology 2. Deputy Division Head at Huizhou Universal Cement Co., Ltd. 3. Manager at China Rebar Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Chen, Chao- Yueh	Female	April 1, 2017	20,260	0.01%	0	0%	0	0%	1. Department of Accounting, Chinese Culture University 2. Junior Manager, Ruentex Engineering & Construction Co., Ltd. 3. Junior Manager, Ruentex Construction & Engineering Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Assistant Vice President	ROC	Wang, Wen-Pin	Male	February 1, 2019	145,000	0.10%	0	0%	0	0%	1. Department of Civil Engineering, Vanung Institute of Technology 2. Supervising Engineer at R.S.E.A. Engineering Corporation 3. Junior Manager, Ruentex Construction & Engineering Co., Ltd. 4. Deputy Manager, Ruentex Engineering & Construction Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Chiang, Shih-Che	Male	February 1, 2019	0	0%	0	0%	0	0%	1. Ph.D. in Material Engineering, National Taiwan Ocean University	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Wang, Nien-Fu	Male	October 8, 2020	0	0%	0	0%	0	0%	1. Ph.D. in Civil Engineering, National Central University 2. Manager at Taiwan Cement Corporation	Nil	Nil	Nil	Nil	Nil
Assistant Vice President	ROC	Chen, Chin- Chuan	Male	October 8, 2020	0	0%	0	0%	0	0%	1. Department of Chemistry, National Taipei Institute of Technology 2. Specialist at China Rebar Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Title (Note 1)	Nationality	Name	Gender	Elected (Inaugurated) Date	Shareholdings		Shareholdings of Spouse/Minor Children		Shareholdings in the Name of a Third Party		Major (academic credentials) and hands-on career experiences (Note 2)	Concurrent Positions in Other Companies	Managers Who are a Spouse or Relative Within the 2 <sup>nd</sup> Degree Under the Civil Code			Remarks (Note 3)
					Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held			Title	Name	Relationship	
Assistant Vice President	ROC	Chien, Shih-Yu	Male	June 6, 2023	1,000	0%	0	0%	0	0%	1. Department of Civil Engineering, China University of Technology 2. Deputy Manager, Ruentex Engineering & Construction Co., Ltd. 3. Engineer, Ruentex Construction Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Chief auditor	ROC	Lee, Chia- Ling	Female	May 13, 2019	0	0%	0	0%	0	0%	1. Department of Accounting, Chinese Culture University 2. Audit Manager, Ruentex Development Co., Ltd. 3. Audit Deputy Manager, Ruentex Industries Ltd. 4. Audit Manager, Ruentex Construction & Engineering Co., Ltd. 5. Audit Section Chief, Ruentex Engineering & Construction Co., Ltd.	Nil	Nil	Nil	Nil	Nil
Head of Finance	ROC	Chen, Yen-Chi	Male	March 14, 2014	60,000	0.04%	0	0%	0	0%	1. Department of Land Administration, National Chung Hsing University 2. Deputy Manager of the Finance Department, Ruentex Development Co., Ltd.	Nil	Nil	Nil	Nil	Nil

Note 1: The information of the President, Vice Presidents, Assistant Vice Presidents, heads of departments and branches, and anyone whose position is equivalent to President, Vice President or Assistant Vice President, regardless of title, shall all be disclosed.

Note 2: The hands-on experiences linked up with the current position title. If having served with the auditing and certifying Certified Public Accountant Office during the aforementioned period, please expressly indicate the position title and the duties in charge.

Note 3: Information about that the President or person of an equivalent position (the highest level Manager) and the Chairman is the same person, spouses, or relative within the first degree of kinship, shall disclose the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increase the number of Independent Directors and have a majority of directors who are not also employees or Managers concurrently, etc.)

Note 4. ①Assistant Vice President Wang, Chien-Sen took office on 2023.04.01; discharged on 2024.01.06. ②Chief Governance Officer Wu, Po-Chung took office on 2023.05.10.

③Assistant Vice President Chen, Shun-Lung discharged on 2023.06.01. ④Assistant Vice President Chien, Shih-Yu took office on 2023.06.06.

⑤Assistant Vice President Kuo, Li-Ping discharged on 2023.11.01. ⑥Vice President Yang, Ching-Ting took office on 2024.02.19.

### III. Remuneration for Directors (including Independent Directors), Supervisors, Presidents, and Vice Presidents

#### (I) 1. Remuneration for General and Independent Directors (individual disclosure)

Unit: NT\$ thousands; %

Title	Name (Note 1)	Directors' Remuneration								Sum of A, B, C, and D as a Percentage of Net Income (Note 10)		Remuneration for Directors Who are Concurrently Employees								Sum of A, B, C, D, E, F, and G and Relative Percentage to Net Income (Note 10)		Compensation From Parent Company or Business Investments Other Than Subsidiaries (Note 11)	
		Remuneration (A) (Note 2)		Severance Pay/Retirement Allowance (B)		Remuneration of Directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salaries, Bonuses and Special Expenses (E) (Note 5)		Severance Pay/Retirement Allowance (F)		Employee Profit Sharing from Earnings Distribution (G) (Note 6)							
		The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 8)	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All Firms Disclosed in the Financial Statements		
Chairman Director	Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han																						
Director	Ruentex Engineering & Construction Co., Ltd. Representative: Lee, Chih- Hung																						
Director	Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu																						
Director	Ruentex Industries Ltd. Representative: Chen, Hsueh- Hsien	576	576	0	0	0	0	0	0	576 0.50%	576 0.50%	8,271	8,271	0	0	50	0	50	0	8,897 7.74%	8,897 7.74%	59,350	
Director	Huei Hong Investment Co., Ltd. Representative: Yin, Chung- Yao																						
Director	Huei Hong Investment Co., Ltd. Representative: Yin, Chung- En																						
Independent Director	Chen, Ming-Chin																						
Independent Director	Chang, Ta-Peng	1,800	1,800	0	0	0	0	480	480	2,280 1.98%	2,280 1.98%	0	0	0	0	0	0	0	0	2,280 1.98%	2,280 1.98%	0	
Independent Director	Huang, Shi-Jian																						

Title	Name (Note 1)	Directors' Remuneration								Remuneration for Directors Who are Concurrently Employees				Sum of A, B, C, D, E, F, and G and Relative Percentage to Net Income (Note 10)		Compensation From Parent Company or Business Investments Other Than Subsidiaries (Note 11)				
		Remuneration (A) (Note 2)		Severance Pay/Retirement Allowance (B)		Remuneration of Directors (C) (Note 3)		Business Execution Expenses (D) (Note 4)		Sum of A, B, C, and D as a Percentage of Net Income (Note 10)		Salaries, Bonuses and Special Expenses (E) (Note 5)		Severance Pay/Retirement Allowance (F)			Employee Profit Sharing from Earnings Distribution (G) (Note 6)		Sum of A, B, C, D, E, F, and G and Relative Percentage to Net Income (Note 10)	
		The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 7)	The Company	All Firms Disclosed in the Financial Statements (Note 8)		The Company	All Firms Disclosed in the Financial Statements (Note 8)	The Company	All Firms Disclosed in the Financial Statements
<p>1. Please specify the policy, system, standards, and structure of the remuneration paid to independent directors, and specify their correlation between the amount of the remuneration paid and their responsibilities, risks, and time contributed: Independent directors are compensated in reference to the performance assessment outcomes of non-independent directors. According to the terms of the Articles of Incorporation concerning directors' compensation, the Board of Directors is authorized to pay fixed benefits and professional fees to independent directors after taking into account their individual participation and contribution to the Company's operations and peer levels. In addition, the remuneration to directors is not distributed in accordance with the Company's Articles of Incorporation.</p> <p>2. Other than disclosure in the above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee of parent company/all consolidated entities/non-consolidated affiliates) to the Company and its consolidated entities in financial statements of the previous year: NA</p>																				

## Range of Remuneration

Range of Remuneration for Directors	Name of Directors			
	Summation of The First 4 Items (A+B+C+D)		Summation of The First 7 Items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Firms Disclosed in the Financial Statements (Note 9) H	The Company (Note 8)	Parent Company and All Business Investments (Note 9) I
Less than NT\$1,000,000	Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han、Lee, Chih-Hung Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu、Chen, Hsueh-Hsien Huei Hong Investment Co., Ltd. Representative: Yin, Chung-Yao、Yin, Chung-En Chen, Ming-Chin、Chang, Ta-Peng、Huang, Shi-Jian	Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han、Lee, Chih-Hung Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu、Chen, Hsueh-Hsien Huei Hong Investment Co., Ltd. Representative: Yin, Chung-Yao、Yin, Chung-En Chen, Ming-Chin、Chang, Ta-Peng、Huang, Shi-Jian	Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han、Lee, Chih-Hung Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu、Huei Hong Investment Co., Ltd. Representative: Yin, Chung-Yao、Yin, Chung-En Chen, Ming-Chin、Chang, Ta-Peng、Huang, Shi-Jian	Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu Huei Hong Investment Co., Ltd. Representative: Yin, Chung-Yao、Yin, Chung-En Chen, Ming-Chin、Chang, Ta-Peng、Huang, Shi-Jian
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)				
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)				
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)				
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)			Ruentex Industries Ltd. Representative: Chen, Hsueh-Hsien	Ruentex Industries Ltd. Representative: Chen, Hsueh-Hsien
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)	-	-		
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)	-	-		Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)	-	-		Ruentex Engineering & Construction Co., Ltd. Representative: Lee, Chih-Hung
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)	-	-		
NT\$100,000,000 and Above	-	-		
Total	9	9	9	9

- Note 1: Names of directors shall be enumerated respectively. (In case of corporate shareholders, the names of the corporate shareholders and their representatives shall be enumerated respectively) It shall respectively enumerate the general directors and independent directors to disclose a variety of amounts of payments in aggregation.  
Any directors who worked concurrently as the President or Vice President are disclosed in this chart and in the chart titled “Remuneration for the President and Vice Presidents”.
- Note 2: t refers to the remuneration to directors in the most recent year (including the salaries for directors, additional job subsidies, severance pay, a variety of incentives and awards and the like).
- Note 3: It refers to the amounts of the remuneration to directors to be distributed as resolved by the Board of Directors in the most recent year.
- Note 4: It refers to the expenses spent by directors for relevant business execution in most recent year (including traffic allowances, special expenditures, a variety of allowances, provided forms, vehicles and such objects in kind and the like).  
In case of provision of housings, vehicles or other transportations as individual expenditures, the Company shall disclose the attributes and costs for such provisions; such rents, fuel costs or other payments as substantially paid or counted based on the fair market prices. In case of chauffeurs provided, please remark the relevant remuneration paid to the chauffeurs which, nevertheless, shall not be counted inclusively into the remuneration.
- Note 5: It refers to such salaries, position bonus, resignation fees, a variety of bonuses, incentives, traffic allowance s, special expenditures, a variety of allowances, dormitories, vehicle allocations and other objects provided to the directors who concurrently served as employees most recent year (including concurrently presidents, vice presidents, other managerial officers and employees). In case of provision of housings, vehicles or other transportations as individual expenditures, the Company shall disclose the attributes and costs for such provisions; such rents, fuel costs or other payments as substantially paid or counted based on the fair market prices. In case of chauffeurs provided, please remark the relevant remuneration paid to the chauffeurs which, nevertheless, shall not be counted inclusively into the remuneration. Besides, such salary expenses recognized under IFRS 2 “Share Based Payment”, including the acquisition of employee stock option certificates, restriction upon employee rights from new shares and participation in cash capital increase subscription shares and the like shall also be counted inclusively into the remuneration as well.
- Note 6: It refers to such the remuneration to employees (including stocks and cash) acquired by the directors who concurrently served as employees most recent year (including concurrently presidents, vice presidents, other managerial officers and employees) most recent year, the Company shall disclose the amounts of the remuneration to employees to be distributed as resolved in the Board of Directors most recent year. In such amounts could not be estimated in advance, the amounts intended to be distributed in the present year shall be duly counted pro rata to the amounts substantially distributed in the preceding year and shall, additionally, fill up Table 1-3.
- Note 7: The Company shall disclose the aggregate total amount of a variety of remunerations paid to the Company’s directors from all companies within the consolidated statements (including the Company).
- Note 8: The aggregate total amount of a variety of remuneration paid to each and every director by the Company, the Company shall disclose names of directors in the hierarchy scale of distribution.
- Note 9: The Company shall disclose the aggregate total amount of a variety of remunerations paid to the Company’s directors from all companies within the consolidated statements (including the Company). The Company shall disclose names of directors in the hierarchy scale of distribution.
- Note 10: The term “net profit after tax” denotes the net profits after tax as shown in the standalone or individual financial statements in the most recent year.
- Note 11: This column shall expressly indicate the amounts of remunerations payable to the Company’s Directors from the investees other than subsidiaries or parent company. (Please enter “nil” in case of none).
- b. Where the Company’s directors received relevant remunerations from the investees or parent company except subsidiaries, the Company shall have the remunerations from the investees or parent company except subsidiaries consolidated into the column of the hierarchy table and shall change the title of the column into “Parent company and all investments”.
  - c. The term “remuneration” as set forth herein denotes such relevant remuneration as reward. remuneration (including remunerations paid to employees, directors and supervisors) and business execution expenses received by the Company’s directors who serve as directors and supervisors or managerial officers of investees, parent company except subsidiaries.
- \*Given the difference between the remuneration disclosed in this Table and concept of income under the Income Tax Act, information disclosed in this Table is for disclose purposes only and shall not be used for taxation.

## (I) 2. Remuneration for the President and Vice Presidents

Unit: NT\$ thousands; %

Title	Name	Salary (A) (Note 2)		Severance Pay/Retirement Allowance (B)		Bonuses & Special Expenses (C) (Note 3)		Amount of Employee Profit Sharing From Earnings Distribution (D) (Note 4)				Sum of A, B, C, and D as a Percentage of Net Income (%) (Note 8)		Whether or not receiving remunera- tion from investees or the parent company other than subsidiari- es (Note 9)
		The Company	All Firms Disclosed in the Financial Statements (Note 5)	The Company	All Firms Disclose d in the Financial Statemen ts (Note 5)	The Company	All Firms Disclosed in the Financial Statemen s (Note 5)	The Company		All Firms Disclosed in the Financial Statements (Note 5)		The Company	All Firms Disclosed in the Financial Statements (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President	Chen, Hsueh-Hsien	8,477	8,477	-	-	14,644	14,644	135	-	135	-	23,256 20.23%	23,256 20.23%	-
Executive Vice President	Lin, Yi-Chieh													
Vice President	Cheng, Jui-Pin													
Vice President	Huang, Chin-Hua													
Vice President	Lee, Yi-Che													

## Range of Remuneration

Range of Remuneration for Presidents and Vice Presidents	Name of President/Vice President	
	The Company (Note 6)	Parent Company and All Business Investments (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (included) – NT\$2,000,000 (excluded)		
NT\$2,000,000 (included) – NT\$3,500,000 (excluded)	Cheng, Jui-Pin; Lee, Yi-Che; Huang, Chin-Hua;	Cheng, Jui-Pin; Lee, Yi-Che; Huang, Chin-Hua;
NT\$3,500,000 (included) – NT\$5,000,000 (excluded)	Lin, Yi-Chieh	Lin, Yi-Chieh
NT\$5,000,000 (included) – NT\$10,000,000 (excluded)	Chen, Hsueh-Hsien	Chen, Hsueh-Hsien
NT\$10,000,000 (included) – NT\$15,000,000 (excluded)	-	-
NT\$15,000,000 (included) – NT\$30,000,000 (excluded)	-	-
NT\$30,000,000 (included) – NT\$50,000,000 (excluded)	-	-
NT\$50,000,000 (included) – NT\$100,000,000 (excluded)	-	-
NT\$100,000,000 and Above	-	-
Total	5	5

Note 1: The names of the President and Vice Presidents are presented separately, whereas the amount of benefits and allowances is presented in aggregate sums. Any directors who worked concurrently as the President or Vice President are disclosed in this table and in the previous table.

Note 2: Refers to salaries, allowances, and severance pay made to the President and Vice Presidents in the last year.

Note 3: It refers to a variety of bonuses, incentives, traffic allowances, special expenditures, a variety of allowances, dormitories, vehicle allocations and objects in kind paid to the President and Vice President in the most recent year. In case of provision of housings, vehicles or other transportations as individual expenditures, the Company shall disclose the attributes and costs for such provisions; such rents, fuel costs or other payments as substantially paid or counted based on the fair market prices.

In case of chauffeurs provided, please remark the relevant remuneration paid to the chauffeurs which, nevertheless, shall not be counted inclusively into the remuneration.

Besides, such salary expenses recognized under IFRS 2 “Share Based Payment”, including the acquisition of employee stock option certificates, restriction upon employee rights from new shares and participation in cash capital increase subscription shares and the like shall also be counted inclusively into the remuneration as well.

Note 4: It should enumerate the amount of remuneration to employees allocated to President and Vice President as resolved in the Board of Directors in the most recent year (including both stocks and cash). If the amount could not be estimated, it shall be counted *pro rata* to the amounts substantially distributed in the preceding year for the amount to be distributed in the present year. Besides, please additionally fill up Table 1-3.

Note 5: The Company shall disclose the aggregate total amount of a variety of remunerations paid to the Company’s President and Vice President from all companies covered within the consolidated financial statements (including the Company).

Note 6: Regarding the aggregate total amount of a variety of remunerations paid to each and every President and Vice President by the Company, the names of the

President and Vice President shall be disclosed in the hierarchy scale.

Note 7: The Company shall disclose the aggregate total amount of a variety of remunerations paid to the Company's President and Vice President from all companies covered within the consolidated financial statements (including the Company). The names of the President and Vice President shall be disclosed in the hierarchy scale.

Note 8: The term "net profit after tax" denotes the net profits after tax as shown in the standalone or individual financial statements in the most recent year.

Note 9: a. This column shall expressly indicate the amounts of remunerations payable to the Company's President and Vice President from the investees other than subsidiaries or parent company (Please enter "nil" in case of none).

b. Where the Company's President and Vice President received relevant remunerations from the investees or parent company except subsidiaries, the Company shall have the remunerations payable to the President and Vice President from the investees or parent company except subsidiaries consolidated into the column of the hierarchy table Column E and shall change the title of the column into "Parent company and all investees".

c. The term "remuneration" as set forth herein denotes such relevant remuneration as reward, remuneration (including remunerations paid to employees, directors and supervisors) and business execution expenses received by the Company's President and Vice President who serve as directors and supervisors or managerial officers of investees, parent company except subsidiaries.

\*Given the difference between the remuneration disclosed in this Table and concept of income under the Income Tax Act, information disclosed in this Table is for disclose purposes only and shall not be used for taxation.

## (I) 3. Employee profit for the management team :

Unit: NT\$ thousands

Title (Note 1)	Name (Note 1)	Stock Amount	Cash Amount	Total	Percentage in Net Profit After Tax(%)
President	Chen, Hsueh-Hsien	-	277	277	0.24
Executive Vice President	Lin, Yi-Chieh				
Vice President	Cheng, Jui-Pin				
Vice President	Lee, Yi-Che				
Vice President	Huang, Chin-Hua				
Assistant Vice President	Wu, Po-Chung				
Assistant Vice President	Lee, Jih-Tsao				
Assistant Vice President	Chen, Chao-Yueh				
Assistant Vice President	Wang, Wen-Pin				
Assistant Vice President	Chiang, Shih-Che				
Assistant Vice President	Wang, Nien-Fu				
Assistant Vice President	Chen, Chin-Chuan				
Assistant Vice President	Chien, Shih-Yu				
Chief auditor	Lee, Chia-Ling				
Head of Finance	Chen, Yen-Chi				

Note: The distribution of employee remuneration in 2023 was approved by the resolution of the board of directors on March 13, 2024, and 1% was allocated as employee remuneration, amounting to NT\$ 1,239,610.

Note 1: The name and title of managers shall be disclosed individually. However, the distribution of profit can be disclosed in aggregate.

Note 2: Refers to the remuneration for managers (including stock and cash) approved by the Board of Directors in the previous year. If the remuneration cannot be estimated, the Company shall calculate the proposed distribution balance this year based on the amount of actual distribution in the previous year. The net income after tax refers to the net income after tax of the most recent year; if IFRSs have been adopted, the net income after tax refers to the net income after tax of the most recent year for individual or standalone financial reports.

Note 3: Referring to Letter Tai-Cai-Zheng-San-Zi No. 0920001301 of the Commission dated March 27, 2003, the scope of managers is as follows:

- |   |  |
|---|--|
| (1) President and people at a considerable level                | (4) Financial Officer                        |
| (2) Vice President and people at a considerable level           | (5) Accounting Officer                       |
| (3) Assistant Vice President and people at a considerable level | (6) Other managers and authorized personnel. |

Note 4: In addition to Table (I) 2, directors, presidents, and vice presidents receiving remuneration for employees (including stock and cash) shall be disclosed in this table.

(II) If any of the following is applicable, disclose the names of directors or supervisors and individual compensations separately; for all other situations, the Company may choose to disclose names by compensation range or to disclose names and compensations separately (in the case of separate disclosure, specify the title, name, and amount for each individual, and there is no need to disclose compensation by range):

1. A company that reported after-tax losses in standalone or individual financial statements in any of the last 3 years shall make separate disclosures for the names and compensation of “directors and supervisors”; this requirement does not apply if standalone/individual financial statements in the most recent year show after-tax profit that adequately covers cumulative losses: There has been a net profit after tax for the individual financial statements and no accumulated loss.
2. Make separate disclosure of directors’ compensation if directors fail to maintain minimum shareholding for 3 consecutive months or longer in the last year; make separate disclosure of supervisor’ compensation if supervisors fail to maintain minimum shareholding for 3 consecutive months or longer in the last year: None.
3. Make separate disclosure of directors’ and supervisors’ compensation for directors and supervisors that pledged an average of more than 50% of shares held in any three months in the last year: None.
4. Make separate disclosure of directors’ and supervisors’ compensation for any director/supervisor of any company included in the financial statements that receives compensation totaling more than 2% of net income and more than NT\$15 million. (Note: The abovementioned thresholds should be calculated by adding “director compensation” to “supervisor compensation”, and exclude compensation received for their concurrent role as an employee.): NA
5. Where a TWSE/TPEX listed company ranks in the last two grade level in the corporate governance evaluation results in the most recent year or has changed transaction approach, discontinued trading, terminated TWSE/TPEX listing or has been resolved by the Corporate Governance Evaluation Committee as not entitled to evaluation in the most recent year as of the publication date of the Annual Report: NA
6. Where the salaries averaged for full-time employees serving not as a department head in a TWSE/TPEX listed company are not up to NT\$500,000 in the most recent year: NA
7. A TWSE or TPEX listed company had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year.: NA
8. A TWSE or TPEX listed company had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000: NA

- (III) TWSE/TPEX listed companies that exhibit any of the conditions mentioned in 1. or 5. of the preceding Paragraph are required to disclose compensation received by the top-5 paid managers (e.g. President, Vice Presidents, CEO, or Head of Finance): NA ◦
- (IV) A comparative description of the total remuneration paid to the directors, supervisors, Presidents, and Vice Presidents of the Company in the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax as in the standalone or individual financial reports, and a description of the policies, criteria, and combinations of remuneration; the procedures for determining remuneration, as well as their correlation with business performance.

1. Analysis of the proportion of the total remuneration paid to the directors, supervisors, Presidents, and Vice Presidents of the Company to the net income after tax in the most recent two years:

Title	2022 Proportion of the remuneration to the net loss after tax (%)		2023 Proportion of the remuneration to the net income after tax (%)	
	The Company	All Firms Disclosed in the Consolidated Financial Statements	The company	All Firms Disclosed in the Consolidated Financial Statements
Director (Note)	29.77	29.77	9.72	9.72
Supervisors	-	-	-	-
Presidents and Vice Presidents	65.61	65.61	20.23	20.23
Note: Includes compensation received for assuming a concurrent position as a manager.				

2. Compensation policies, standards, packages, and procedures, and association with future risks and business performance:

- (1) Directors are compensated according to the terms of the Articles of Incorporation. The Board of Directors is authorized to pay fixed benefits and professional fees to non-independent directors after taking into account their individual participation and contribution to the Company's operations and peer levels. These compensations are proposed by the Remuneration Committee and executed with the Board of Directors' resolution. In addition, the remuneration to directors is not distributed in accordance with the Company's Articles of Incorporation.
- (2) Compensation for the President and Vice Presidents includes salary, bonus, and employee remuneration. The amounts of which are determined based on job role, the responsibilities undertaken, operational performance, and peer levels. Performance evaluation criteria include both financial and non-financial indicators:  
Financial indicators: Based on the company's management income statement, factors such as the annual growth rate of operating income, operating profit

growth rate, contribution of various business units to company profits, and achievement rates of managerial targets are considered.

Non-financial indicators: Assessments include the company's and various departments' operational management capabilities, risk management, and sustainability performance indicators. This encompasses achievements in greenhouse gas reduction plans, rates of reuse and recycling in the circular economy, implementation of corporate governance, fulfillment of sustainability commitments, and specific actions taken to address climate change risks.

The procedures for determining compensation have been established in accordance the Articles of Incorporation and levels of approval authority. These compensations are proposed by the Remuneration Committee and executed with a Board of Directors' resolution.

- (3) Compensation for directors, the President, and Vice Presidents has been developed after taking into consideration the future risks associated with the Company's operations and positive correlations with business performance. It has been adjusted to maintain balance between continuity and risk management.
- (4) On May 22, 2017, we established the Audit Committee to replace the role of supervisors, who were relieved after committee establishment.

#### IV. Corporate Governance:

##### (I) Operation of the Board of Directors:

In the most recent fiscal year (2023), the Board of Directors convened a total of 7 meetings (A). Directors' attendance is explained below:

Title	Name (Note 1)	Actual Attendances (B)	Attendances by Proxy	Actual Attendance Rate (%) (B/A) (Note 2)	Remark
Chairman	Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han	7	0	100%	
Director	Ruentex Engineering & Construction Co., Ltd. Representative: Lee, Chih-Hung	7	0	100%	
Director	Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu	6	1	86%	
Director	Ruentex Industries Ltd. Representative: Chen, Hsueh-Hsien	7	0	100%	
Director	Huei Hong Investment Co., Ltd. Representative: Yin, Chung-Yao	4	3	57%	
Director	Huei Hong Investment Co., Ltd. Representative: Yin, Chung-En	7	0	100%	
Independent Director	Chen, Ming-Chin	7	0	100%	
Independent Director	Chang, Ta-Peng	7	0	100%	
Independent Director	Huang, Shi-Jian	6	1	86%	

##### Other Information Required for Disclosure:

I. The date, term, proposal content, and resolution specified and the opinion expressed by independent directors shall be specified under any one of the following circumstances:

- (I) Issues required under Article 14-3 of Securities and Exchange Act: The Company set up an Audit Committee on May 22, 2017. Pursuant to the provisions set forth under Article 14-5 of Securities and Exchange Act, the provisions set forth under Article 14-

3 of Securities and Exchange Act do not apply to the Company. For more details on the information concerned, please refer to operations of the Audit Committee on p. 49 of the Annual Report.

- (II) Other Board of Directors resolutions to which objections or qualified opinions for the record or in writing are expressed by independent directors: NA
- II. When there is avoidance of conflicts of interest by a director, specify the name of that director, the involved proposal(s), the cause(s) of the avoidance of conflicts of interest, and the participation in voting of that director:
- (I) January 17, 2023 - For the motion concerning payment of performance bonuses to Managers for 2022, Director Chen, Hsueh-Hsien recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the Chairperson.
  - (II) January 17, 2023 - With regards to the motion concerning the agreement on annual quotation of “RT.MIX Concrete Flooring Work” with Ruentex Engineering & Construction Co., Ltd., Directors Lee, Chih-Hung, Mo, Wei-Han, and Yin, Chung-Yao recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the acting Chairperson.
  - (III) January 17, 2023 - With regards to the motion concerning the agreement on “RT.MIX Selling Price” with Ruentex Engineering & Construction Co., Ltd., Directors Lee, Chih-Hung, Mo, Wei-Han, and Yin, Chung-Yao recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the acting Chairperson.
  - (IV) January 17, 2023 - With regards to the motion concerning the agreement on “Outsourcing of Production for Dry-Mix Mortar Materials” with Ruentex Engineering & Construction Co., Ltd., Directors Lee, Chih-Hung, Mo, Wei-Han, and Yin, Chung-Yao recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the acting Chairperson.
  - (V) March 10, 2023 - Removal of restrictions imposed against the directors of the Company for involving themselves in competing businesses, Directors Yin, Chung-En and Chen, Ming-Chin recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the acting Chairperson.
  - (VI) August 11, 2023 - With regards to the motion concerning the agreement on “Qingtianjie Project Main Structure - Acoustic Flooring” and “Qingtianjie Project Main Structure - Wear-resistant Flooring” with Ruentex Engineering & Construction Co., Ltd., Directors Lee, Chih-Hung, Mo, Wei-Han, and Yin, Chung-Yao recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the acting Chairperson.
  - (VII) August 11, 2023 - With regards to the motion concerning the agreement on “RT.MIX Selling Price” with Ruentex Engineering & Construction Co., Ltd., Directors Lee, Chih-Hung, Mo, Wei-Han, and Yin, Chung-Yao recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the acting Chairperson.
  - (VIII) November 7, 2023 - With regards to the motion concerning the agreement on “Dharma Drum Mountain Zi Yun Monastery Project - Wear-resistant Flooring” and the “Ruentex Wanhua Huajiang Section Social Housing Project.” with Ruentex

Engineering & Construction Co., Ltd., Directors Lee, Chih-Hung, Mo, Wei-Han, and Yin, Chung-Yao recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the acting Chairperson.

(IX) December 26, 2023 - The Company signed a building materials contract with Ruentex Engineering & Construction Co., Ltd. for “Prefabrication Plant-Cement Materials of Prefabrication Plant in 2024”. Directors Lee, Chih-Hung, Mo, Wei-Han, Yin, Chung-Yao recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining directors present at the meeting when inquired by the acting Chairperson.

III. Cycle, Duration, Scope, Method, and Details of Board Performance Self (Peer) Evaluation:

Assessment Cycle	Assessment Duration	Assessment Scope	Assessment Method	Assessment Contents
Once a year	January 1 to December 31, 2023	1. Board of Directors 2. Individual Board Members 3. Functional committee	1. Internal self-assessment of the Board of Directors and functional committees 2. Board member self-assessment	I. Board of Directors performance assessment: (1) Involvement in corporate operations (2) Quality of Board decisions (3) Board composition and structure (4) Director selection and continuing education (5) Internal control. II. Performance review of individual directors: (1) Capture of corporate goals and missions (2) Recognition of the director’s role and responsibility (3) Involvement in corporate operations (4) Internal relationship building and communication (5) Director’s expertise and continuing education (6) Internal control III. Assessment of functional committee performance: (1) Involvement in corporate operations (2) Recognition of the functional committee’s role and responsibility (3) Improvement of functional committee decision quality (4) Functional committee composition and member selection (5) Internal control

IV. Targets (e.g. establishment of an Audit Committee and enhancement of information transparency) for the Board of Directors competency improvement in the current and

previous years and performance evaluation:

- (I) The Company has implemented its own “Regulations Governing Performance Evaluation for the Board of Directors” as a way to enforce corporate governance and improve Board functions. Performance of the Board is evaluated on a yearly basis.
- (II) The Company assembled an Audit Committee following the amendment of the Articles of Incorporation during the 2017 annual general meeting. The Audit Committee is responsible for carrying out the legal duties of supervisors.
- (III) The Company has assembled a Remuneration Committee as a way to enforce corporate governance.
- (IV) As a good corporate governance practice, the Company established a set of “Standard Operating Procedures for Resolving Directors’ Requests” in 2019 to support directors in various duties and to improve overall performance of the Board.
- (V) Directors of the Company have taken on-job courses on corporate governance and securities regulations, and completed the required number of training hours per year stipulated by the authority as a way to receive new knowledge and maintain professional advantage. The Company will continue monitoring regulatory changes and arrange courses as deemed appropriate in the future.
- (VI) The Company purchases liability insurance coverage for directors and managers on a yearly basis, so as to protect them against risks that may arise from rendering service. Terms of the insurance policy are examined regularly to ensure that the claim limit and scope of coverage conform with requirements. Details of which are reported in Board of Directors meetings.
- (VII) The Company has set up a “Stakeholders Section” on its website to enforce operational transparency and shareholder protection. The section covers information concerning Corporate Governance, Financial Information, Stock Affairs, Material Information, Contact Window, etc., and represents the Company’s initiative to establish communication channels with stakeholders and increase information transparency.

Note 1: Where directors are corporate entities, the names of corporate shareholders and their representatives are stated.

Note 2: (1) The date of resignation is specified for directors who resigned prior to the close of the financial year. The percentage of in-person attendance (%) is calculated based on the number of Board of Directors meetings held and the number of in-person attendances during active duty.

(2) If a re-election of directors took place prior to the close of the financial year, directors of both the previous and the current Board are listed; in which case, the remarks column will address the re-election date and specify whether the director was elected in the previous Board, the new Board, or both. In-person attendance rate (%) is calculated based on the number of Board of Directors meetings held and the number of in-person attendances made during active duty.

(3) On May 22, 2017, we established the Audit Committee to replace the role of supervisors, who were relieved after committee establishment.

(II) Operation of the Audit Committee or the Involvement of Supervisors in the Board of Directors Operation:

1. In all of 2023, the Audit Committee convened a total of 6 meetings, primarily focusing on the key issues as enumerated below:

- (1) Audit of financial statements and accounting policies and procedures
- (2) Internal control system and relevant policies & procedures
- (3) Law compliance
- (4) Qualifications, experiences and seniority of and evaluation into independence of the attesting certified public accountants
- (5) The appointment, discharge, or remuneration of certified public accountants.
- (6) Self-evaluation questionnaire of the Audit Committee members for their self-evaluation

(7) Other significant issues specified by the Company or the competent authority(ies).

●Review over the financial statements

The Board of Directors prepared the business report, financial statements, and proposal on profit distribution for 2021. The financial statements were audited by Huang, Chin-Lien and Chang, Shu-Chiung , accountants of PwC Taiwan, and an audit report was issued by them. The aforementioned business reports, financial statements and distribution of earnings have been duly audited by the Audit Committee who confirms appropriate.

●Evaluation into the internal control system to check and make sure the validity

The Audit Committee has evaluated the Company’s internal control system regarding whether the policies and procedures remain effective and has further reviewed the periodical reports worked out by the Audit Department, attesting certified public accountants as well as the Company’s management, including risk management and law compliance. The Audit Committee acknowledges and confirms that the Company’s internal control system remains valid in terms of designs and implementation. The Company has, in turn, adopted necessary control mechanism to monitor and correct the deficiencies.

2. Performance by the Audit Committee:

In the most recent fiscal year (2023), the Audit Committee convened a total of 6 meetings (A) which were attended by independent directors as enumerated below:

Title	Name	Number of In-person Attendances (B)	Attendances by Proxy	In-person Attendance Rate (%) (B/A) (Note 1, Note 2)	Remark
Independent Director	Chen, Ming-Chin	6	0	100%	
Independent Director	Chang, Ta-Peng	6	0	100%	
Independent Director	Huang, Shi-Jian	6	0	100%	

Other Information Required for Disclosure:

I. Whenever one among circumstances enumerated below is found in the Audit Committee in its the business operation, the date, term, contents of motion, the objections, qualified opinions, contents of significant proposals of an independent director (s), result of decision resolved by the Audit Committee and the Company’s measures in response to the opinions of the Audit Committee shall be expressly accounted.

(I) Issues set forth under Article 14-5 of Securities and Exchange Act: Already submitted to the Board of Directors for review after being resolved by the Audit Committee members.

Audit Committee	Proposal Contents and Handling	An issue as set forth under Article 14-5 of Securities and Exchange Act	Matters not passed by the Audit Committee but approved by over two-thirds of all directors.
3 <sup>rd</sup> Term 5 <sup>th</sup> Meeting; January 17, 2023	The Company's Internal Audit Report for Q4 2022.	v	-
	Amendments to the Company's "Corporate Governance Best Practice Principles".	v	-
	Amendments to the "Rules of Procedure for Shareholders' Meetings" of the Company.	v	-
	Agreement on annual quotation of "RT.MIX Concrete Flooring Work" with Ruentex Engineering & Construction Co., Ltd.	v	-
	Signing of the "RT.MIX Selling Price" agreement with Ruentex Engineering & Construction Co., Ltd.	v	-
	Agreement on "Dry-Mixed Cement-Sand Material Production Commission Agreement" with Ruentex Engineering & Construction Co., Ltd.	v	-
	Audit Committee Resolution: Approved by all Audit Committee members.		
	The Company's Measures in Response to Opinions of the Audit Committee: The motion was duly resolved during the 5 <sup>th</sup> Meeting of the 12 <sup>th</sup> Board of Directors on January 17, 2023.		
3 <sup>rd</sup> Term 6 <sup>th</sup> Meeting; March 10, 2023	The Company's 2022 Distribution of Employees' Remuneration.	v	-
	The Company's 2022 Business Report and Financial Statements.	v	-
	The company's 2022 Earnings Distribution Proposal.	v	-
	The Company's Proposal of Cash Distribution from Capital Reserve.	v	-
	The Company's 2022 Management's Reports on Internal Control.	v	-
	Discussion of whether material accounts receivable should be treated as external party lending if overdue for more than 3 months on top of the normal credit term.	v	-
	Removal of restrictions imposed against the directors of the Company for involving themselves in competing businesses.	v	-
	Audit Committee Resolution: Approved by all Audit Committee members.		
The Company's Measures in Response to Opinions of the Audit Committee: The motion was duly resolved during the 6 <sup>th</sup> Meeting of the 12 <sup>th</sup> Board of Directors on March 10, 2023.			
3 <sup>rd</sup> Term 7 <sup>th</sup> Meeting May 10, 2023	The Company's Internal Audit Report for Q1 2023.	v	-
	The Company's Consolidated Financial Report for Q1 2023.	v	-
	The establishment of the "Chief Governance Officer".	v	-
	The revision of the "Operating Procedures for Preparation and Certification of Sustainability Reports" of the Company.	v	-

	Amendment to the Company's "Internal Control System" and "Internal Audit Act Enforcement Rules".	v	-
	Audit Committee Resolution: Approved by all Audit Committee members.		
	The Company's Measures in Response to Opinions of the Audit Committee: The motion was duly resolved during the 7 <sup>th</sup> Meeting of the 12 <sup>th</sup> Board of Directors on May 10, 2023.		
3 <sup>rd</sup> Term 8 <sup>th</sup> Meeting; August 11, 2023	Contracting of "Qingtianjie Project Main Structure - Acoustic Flooring" and "Qingtianjie Project Main Structure - Wear-resistant Flooring" with Ruentex Engineering & Construction Co., Ltd.	v	-
	The Company's Internal Audit Report for Q2 2023.	v	
	The Company's Consolidated Financial Report for Q2 2023.	v	-
	Signing of the "RT.MIX Selling Price" agreement with Ruentex Engineering & Construction Co., Ltd.	v	-
	The Company's "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" of the Company.	v	-
	Audit Committee Resolution: Approved by all Audit Committee members.		
	The Company's Measures in Response to Opinions of the Audit Committee: The motion was duly resolved during the 9 <sup>th</sup> Meeting of the 12 <sup>th</sup> Board of Directors on August 11, 2023.		
3 <sup>rd</sup> Term 9 <sup>th</sup> Meeting; November 7, 2023	Contracting of "Dharma Drum Mountain Zi Yun Monastery Project - Wear-resistant Flooring" and the "Ruentex Wanhua Huajiang Section Social Housing Project" with Ruentex Engineering & Construction Co., Ltd.	v	-
	The Company's Internal Audit Report for Q3 2023.	v	-
	The Company's Consolidated Financial Report for Q3 2023.	v	-
	Audit Committee Resolution: Approved by all Audit Committee members.		
	The Company's Measures in Response to Opinions of the Audit Committee: The motion was duly resolved during the 10 <sup>th</sup> Meeting of the 12 <sup>th</sup> Board of Directors on November 7, 2023.		
3 <sup>rd</sup> Term 10 <sup>th</sup> Meeting; December 26, 2023	Proposal for the Company's regular evaluation of the independence of CPAs.	v	
	Proposal of the 2024 CPA remuneration.	v	-
	The Company's Business Plan for the year of 2024.	v	-
	The Company's Internal Audit Plan for the year of 2024.	v	-
	Amendments to the "Approval Authority" of the Company.	v	-
	Signing of a building materials contract with Ruentex Engineering & Construction Co., Ltd. for "Prefabrication Plant-Cement Materials of Prefabrication Plant in 2024".	v	-
	Audit Committee Resolution: Approved by all Audit Committee members.		
	The Company's Measures in Response to Opinions of the Audit Committee: The motion was duly resolved during the 11 <sup>th</sup> Meeting of the 12 <sup>th</sup> Board of Directors on December 26, 2023.		

- (II) Matters other than the above unapproved by the Audit Committee but resolved by over two thirds of all directors: NA
- II. Avoidance of involvement in interest-conflicting discussions by independent directors; state the names of concerned independent directors, the discussions, the nature of conflicting interests, and the voting process:
- (I) March 10, 2023 - With regards to the removal of restrictions imposed against the directors of the Company for involving themselves in competing businesses. Independent Director Chen, Ming-Chin recused from discussion and voting as required by policy, and the motion was passed as proposed without objection from the remaining committee members present at the meeting when inquired by the acting Chairperson.
- III. Communication between independent directors and the internal audit head and accountant (shall include communication on the company's material financial and sales affairs, including the topics, methods, and results of communication)
- (I) The internal audit head communicates regularly with members of the Audit Committee on the outcome of internal audit reports and follows up on the execution of actionable items. The internal audit head also reports to and discusses with independent directors on the execution of audit tasks during Audit Committee meetings. Communication between independent directors and the Chief Auditor is considered fair.

Date	Meeting	Main points in communication	Execution Progress
January 17, 2023	Audit Committee	Internal Audit Report for Q4 2022.	Reported during the Board of Directors meeting.
March 10, 2023	Audit Committee	2022 Statement of the Internal Control System.	Passed review and reported during the Board of Directors meeting.
May 10, 2023	Audit Committee	Internal Audit Report for Q1 2023.	Reported during the Board of Directors meeting.
August 11, 2023	Audit Committee	Internal Audit Report for Q2 2023.	Reported during the Board of Directors meeting.
November 7, 2023	Audit Committee	Internal Audit Report for Q3 2023.	Reported during the Board of Directors meeting.
December 26, 2023	Audit Committee	Internal Audit Plan for the year of 2024.	Passed review and reported during the Board of Directors meeting.
January 30, 2024	Audit Committee	Internal Audit Report for Q4 2023.	Reported during the Board of Directors meeting.
March 13, 2024	Audit Committee	2023 Statement of the Internal Control System.	Passed review and reported during the

			Board of Directors meeting.
<p>(II) The Company's financial statement auditors engage Audit Committee members in regular meetings at least once a year to explain issues concerning audit of financial statements. The financial statement auditors also communicate with the governance body on the audit outcome, the need for significant adjustment entries, and impact of regulatory amendments, and shares discoveries from their audit tasks. Communication between independent directors and financial statement auditors is considered fair.</p> <p>(The Chief Auditor was present at all of the following meetings.)</p>			
Date	Meeting	Main points in communication	Execution Progress
March 10, 2023	Audit Committee	CPA's report on the audit (final completion) of the Company's 2022 financial statements.	CPAs were invited to present their audit of the financial statements during the Board of Directors meeting held on March 10, 2023.
December 26, 2023	Audit Committee	CPA's report on the audit plan for the Company's 2023 financial statements.	CPAs were invited to present their audit plans during the Board of Directors meeting held on December 26, 2023.
March 13, 2024	Audit Committee	CPA's report on the audit (final completion) of the Company's 2023 financial statements.	CPAs were invited to present their audit of the financial statements during the Board of Directors meeting held on March 13, 2024.

Note 1: Where an independent director quit the post before the end of a fiscal year, please indicate the date of resignation. The substantial participation rate (%) shall be duly counted based on the total number of meetings convened by the Committee and the number of his or her substantial participations.

Note 2: Where the independent directors had been reelected before the end of a fiscal year, please fill up both the outgoing independent director and the independent director newly elected and please indicate in the box of remarks as an independent director as the former one, newly elected one or reelected on and the date of reelection. The substantial participation rate (%) shall be duly counted based on the total number of meetings convened by the Committee during the term and the number of his or her substantial participations.

Note 3: The internal audit head of this Company reports audit results periodically and follows up with independent directors at Audit Committee meetings.

Note 4: The internal audit head attends every Board of Directors meeting.

Note 5: The internal audit head and Accountant of this Company maintain fluent communication with independent directors.

(III) Status of governance and the deviations and the cause(s) of deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Governance Best Practice (Governance Best Practice)

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
I. Has the Company defined and disclosed its governance best practice principles in accordance with the “Corporate Governance Best Practice Principles”?	V		The Company passed a set of “Corporate Governance Best Practice Principles” during the Board of Directors meeting held on November 17, 2014. On January 17, 2023, the Board of Directors passed amendments to the “Corporate Governance Best Practice Principles” based on the latest corporate governance roadmap in an attempt to align the Company’s practices with international corporate governance trends and issues of concern in recent years. Details of the best practice principles have been disclosed over the MOPS and the Company’s website.	No significant difference.
II. Structure of Shareholdings and Shareholder’s Equity (I) Does the Company establish and implement internal procedures for handling shareholder suggestions, questions, disputes, and litigation?	V		(I) The Company has established the “Procedures for Handling and Preventing Misuse of Material Inside Information” and designated the Accounting Department as the dedicated unit to ensure that the disclosure of internal material information is accurate, complete, implemented in a timely manner, and in accordance with the procedures. The Company has implemented a spokesperson system and assigned a spokesperson and deputy spokesperson to address shareholders’ suggestions, queries, disputes, and lawsuits for the protection of shareholders’ interests. In addition to creating a “Stakeholders Section” on the corporate website, the Company also distinguishes stakeholders between investors, customers, and suppliers, and discloses information such as issues of concern, contact window, etc. on the website for the protection of stakeholders’ interests.	No significant difference.
(II) Does the Company keep an up-to-date list of its dominant	V		(II) By engaging Yuanta Securities as the stock transfer agent, the Company is constantly informed of the identities of its major shareholders and ultimate controller. Relevant	No significant difference.

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
shareholders and the parties with ultimate control over its dominant shareholders?			information is disclosed on a regular basis.	
(III) Does the Company establish and implement a risk control mechanism and firewall between its affiliates?	V		(III) All financial and business dealings between the Company and affiliated enterprises are regulated in writing. The Company exercises supervision over the business and financial information, management practices, and internal audit of its subsidiaries in accordance with the “Subsidiary Supervision and Management Guidelines”, which introduces the use of risk controls and firewalls.	No significant difference.
(IV) Does the Company establish internal rules to prevent insider trading using undisclosed information?	V		(IV) We have established “Procedures for Handling and Preventing Misuse of Material Inside Information” to prevent insiders of the Company from trading securities against non-public information. The Procedures also outline how violations are handled and impose requirements to strictly abide by the Securities and Exchange Act and related laws for the protection of investors and the Company.	No significant difference.
III. Organization and Functions of the Board of Directors				
(I) Will the Board of Directors work out a diversification policy, set concrete targets, and put the same into hands-on implementation?	V		(I) The Company has devised a set of diversity guidelines for the composition of Board members based on Article 20 of the “Corporate Governance Best Practice Principles”. The current Board comprises 9 directors, including 3 independent directors. The Board as a whole possesses extensive experience and professional capacity in fields such as industry knowledge, finance, and administration. Enforcement of the above is explained in pages 20-24 of the Annual Report.	No significant difference.
(II) In addition to a	V		(II) The Company has set up a Remuneration	No

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
Remuneration Committee and an Audit Committee established by law, does the Company voluntarily establish other functional committees?			Committee and an Audit Committee by law. It will set up other functional committees according to the laws and regulations and the needs of the Company in a timely manner. For other functional committees, we will timely establish those outside statutory requirements but related to corporate governance or sustainability development, based on legal provisions and the needs of the company. Information regarding the composition, responsibilities, and operations for the current year of such committees will be disclosed on the company's website.	significant difference.
(III) Has the Company enacted regulations to evaluate the Board of Directors' performance and other assessment methods to carry out performance evaluation periodically every year and report the performance evaluation result to the Board of Directors to be utilized as the handy reference to determine the remunerations for individual directors and for the nomination process?	V		(III) 1. The Company enacted the "Regulations Governing Performance Evaluation for the Board of Directors" on December 28, 2016 and amended the policy later on August 10, 2020. Under the Regulations, the Board of Directors shall, on an annual basis, carry out internal performance evaluation based on the procedures and targets set forth under said Regulations. The evaluation result shall be completed before the end of the 1 <sup>st</sup> quarter of the ensuing year. The Company conducted performance assessment at the end of 2023, and presented the assessment outcome to the Board of Directors during the meeting held in January 2024. 2. Directors' performance assessments and fixed benefits such as travel allowances are reviewed by the Remuneration Committee and the Board of Directors, and may be adjusted at any time deemed appropriate given the prevailing circumstances or laws to achieve sustainable management and maintain proper risk-return balance.	No significant difference.
(IV) Does the Company	V		(IV) We assess CPA independence and suitability with reference to audit quality indicators every	No significant

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles									
	Yes	No	Summary Description										
regularly evaluate the independence of certified public accountants?			<p>year. The company convened the Audit Committee on December 26, 2023. The review of the independence, suitability, and 2024 annual appointment remuneration proposal of certified accountants was based on the assessment of audit quality indicators (AQIs) information provided by certified accountants. The basis for this is that after the resolution of the audit committee is passed, it is submitted to the board of directors for approval on the same day. The compilation of the AQIs information is based on the AQIs structure and disclosure template issued by the Financial Supervisory Commission, and the statistical period is 2022 and 2021. The items evaluated by the audit committee and the board of directors of the company include five aspects and 13 indicators including professionalism, quality control, independence, supervision, and innovation ability. After evaluation, the certified accountants are qualified. Apart from verifying if CPAs hold stocks and concurrently work in the senior executive of this Company through the stock service unit, we ensure they avoid direct or indirect conflict of interests in our assignments and issue the statement of independence. Assessments show that no CPA has either direct or indirect conflict of interests with this Company. Therefore, there is no worry of CPA independence. Outcomes of the assessment were reported to the Board of Directors during the meetings held on December 26, 2023.</p> <p>Criteria for CPA Independence Assessment:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Assessment Contents</th> <th>Assessment Results</th> </tr> </thead> <tbody> <tr> <td>(I)</td> <td>Neither the CPAs nor the Audit Team members hold the stock of this Company or its subsidiaries.</td> <td>Yes</td> </tr> <tr> <td>(II)</td> <td>Neither the CPAs nor the professionals are a director, supervisor, or officer of this Company.</td> <td>Yes</td> </tr> </tbody> </table>	Item	Assessment Contents	Assessment Results	(I)	Neither the CPAs nor the Audit Team members hold the stock of this Company or its subsidiaries.	Yes	(II)	Neither the CPAs nor the professionals are a director, supervisor, or officer of this Company.	Yes	difference.
Item	Assessment Contents	Assessment Results											
(I)	Neither the CPAs nor the Audit Team members hold the stock of this Company or its subsidiaries.	Yes											
(II)	Neither the CPAs nor the professionals are a director, supervisor, or officer of this Company.	Yes											

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles												
	Yes	No	Summary Description													
			<table border="1"> <tr> <td>(III)</td> <td>There is no cooperation between the CPA firm and this Company.</td> <td>Yes</td> </tr> <tr> <td>(IV)</td> <td>There is no litigation between the CPA firm and this Company.</td> <td>Yes</td> </tr> <tr> <td>(V)</td> <td>There was no report of non-replacement of CPAs for seven consecutive years or discipline of CPAs or damage of independence.</td> <td>Yes</td> </tr> <tr> <td colspan="3">Period covered within the evaluation: January 1, 2023 to December 25, 2023 Assessment Results: CPAs are independent.</td> </tr> </table>	(III)	There is no cooperation between the CPA firm and this Company.	Yes	(IV)	There is no litigation between the CPA firm and this Company.	Yes	(V)	There was no report of non-replacement of CPAs for seven consecutive years or discipline of CPAs or damage of independence.	Yes	Period covered within the evaluation: January 1, 2023 to December 25, 2023 Assessment Results: CPAs are independent.			
(III)	There is no cooperation between the CPA firm and this Company.	Yes														
(IV)	There is no litigation between the CPA firm and this Company.	Yes														
(V)	There was no report of non-replacement of CPAs for seven consecutive years or discipline of CPAs or damage of independence.	Yes														
Period covered within the evaluation: January 1, 2023 to December 25, 2023 Assessment Results: CPAs are independent.																
IV. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and	V		<p>The Company has designated a department specifically to handle corporate governance affairs. In May 2023, the Board of Directors appointed Chief of Accounting Wu, Po-Chung, to concurrently serve as the Chief Governance Officer. Assistant Vice President Wu, Po-Chung has more than ten years of experience in the finance and accounting management of listed companies and working in an accounting firm. The corporate governance affairs are providing independent/non-independent directors with the information needed to perform their duties, assisting directors and independent directors in compliance with legal requirements, convention of Board meetings and shareholder meetings, company registration and changes, and preparation of Board meeting and shareholder meeting minutes). This department also ensures compliance of relevant matters and enforces sound corporate governance practices.</p>	No significant difference.												

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
preparing minutes of board meetings and shareholders' meetings)?				
V. Does the Company establish channels for communication with interested parties (including, without limitation, shareholders, employees, customers, and suppliers), set up a interested party section on the corporate website, and respond appropriately to material CSR issues that concern shareholders?	V		The Company has appointed a spokesperson and a deputy spokesperson, and maintains open communication channels with banking partners, creditors, employees, consumers, suppliers, community members, and parties that concern the Company's interests. A Stakeholders Section has been created on the Company's website to protect stakeholders' rightful interests, address issues of concern, and disclose communication and response channels.	No significant difference.
VI. Does the Company appoint a professional stock affairs agent to handle shareholder affairs?	V		The Company has commissioned Yuanta Securities as the stock transfer agent to handle shareholder meeting affairs.	No significant difference.
VII. Information Disclosure (I) Does the Company set up a website to disclose its financial and governance information? (II) Does the	V  V		(I) The Company will continue disclosing financial, business, and corporate governance information over the corporate website and the MOPS.  (II) The Company has implemented a	No significant difference.  No

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
<p>Company try other means to disclose information (such as setting up an English website, designating personnel to gather and disclose organizational information, effectively implementing the spokesperson system, and posting investor conferences on the corporate website)?</p> <p>(III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2, and Q3 and status of monthly operations?</p>		V	<p>spokesperson system to communicate with the outside world, and assigned dedicated personnel to gather information and make relevant disclosures over the MOPS according to laws.</p> <p>(III) We complete reporting the quarterly and annual financial statements by the time-limit. However, we are still yet to advance the announcement and reporting of the annual financial statements within two months after the end of a fiscal year. In addition, we complete reporting the monthly business report by the time-limit.</p>	<p>significant difference.</p> <p>No significant difference. However, the Company has yet achieve the requirement for filing the annual financial report in advance within two months after the end of each fiscal year</p>
VIII. Is there any other material information	V		(I) Employee Rights: We have established an employee welfare committee (EWC) and contribute EWC funds by law. Employees	No significant difference.

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
(including, without limitation, employee rights, employee care, investor relations, supplier relations, interested party rights, further education for directors and supervisors, the status of implementation of the risk management policy and risk measurement measures, the status of implementation of the customer policy, and the purchase of liability insurance for directors and supervisors), that will help interested parties understand governance practices at the Company?			<p>enjoy group insurance and allowances for various benefits. We have also established a training/education system and retirement system to maintain the rights and benefits of employees.</p> <p>(II) Workplace Diversity and Gender Equality: The company's management regulations are committed to providing employees with a dignified and safe working environment. We implement employment diversity, employment conditions, salary, benefits, training, evaluation, and equality and fairness in promotion opportunities to ensure that employees not to be discriminated against, harassed or treated unfairly on the basis of race, gender, socioeconomic class, age, marital and family status, etc., or any other status protected by applicable laws.</p> <p>(III) Employee Care: All of the Company's management policies have been created to cater to employees' interests. The Company cares for employees' lifestyle and well-being, and sets salaries and compensation at reasonable levels.</p> <p>(IV) Investor Relations: The Company has established a spokesperson/deputy spokesperson mechanism responsible for the Company's communication with external parties, and assigned dedicated personnel to disclose its information on the MOPS in accordance with laws and regulations.</p> <p>(V) Supplier Relationships: The Company has maintained a positive relationship with its suppliers to ensure smooth supply of products.</p> <p>(VI) Stakeholders' Rights: The Company has adopted a spokesperson system and has channels in place to ensure open communication with banks, creditors, employees, consumers, suppliers, community members, and parties that concern the</p>	

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
			<p>Company's interests. The Company protects stakeholders' rightful interests and uses a variety of channels to disclose financial and business information.</p> <p>(VII) Directors' Ongoing Education: Directors of the Company have taken on-job courses on corporate governance and securities regulations. The Company will continue monitoring regulatory changes and arrange courses as deemed appropriate in the future. (See page 63 for details)</p> <p>(VIII) Implementation of risk management policies and risk assessment standards: The Company has formulated relevant internal regulations and the internal control system in accordance with the law to conduct various risk management and assessments, while the internal audit unit audits the implementation of the internal control system regularly and from time to time.</p> <p>(IX) Execution of Customer Policy: The Company maintains a long, productive relationship with all its customers, and is committed to developing new products, new technologies, and new techniques that meet customers' needs.</p> <p>(X) The Company's Purchases of Liability Insurance for Directors: The Company has purchased liability insurance for directors.</p> <p>(XI) Supporting the Development of Domestic Culture: In order to support the development of domestic culture, the company assists the Dongshan Township Office of Yilan County in handling the "Dongshan Ruentex Cement Railway Secret Landscape Reconstruction Project". Since 2022, it has rented part of the company's land for free for the Dongshan Township Office of Yilan County in use. In 2012, approximately NT\$6.12 million was invested in related resources. The Ruentex Railway not only represents existing relics but</p>	

Assessment Item	Status of Operation			Deviations and the Cause(s) of Deviations From the Corporate Governance Best Practice Principles
	Yes	No	Summary Description	
			also bears witness to the development and transformation of the entire Yilan cement industry and Dongshan's industrial history. This project aims to reshape the landscape along the Ruentex Railway, with historical waterways running through it and surrounded by Hakka settlements and temples. The goal is to reshape the cultural landscape by linking local temples and historical settlements, integrating historical waterways, and creating a hydrological space rich in cultural significance. Through providing this venue, we hope to encourage cultural participation among local residents and visiting tourists.	

IX. Please specify the status of improvement and the prioritized improvements with reference to the Corporate Governance Evaluation results announced by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous year:

1. The Company expects to set up an English website in 2024, and the relevant information is gradually being developed.
2. The Company has appointed a Corporate Governance Officer before June 30, 2023 to oversee corporate governance-related affairs and to enforce the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" in every aspect of the Company's operation. The officer will be responsible for ensuring the effectiveness of the corporate governance system, and making transparent disclosures of information in shareholders' best interest.
3. The Company expects to announce and file the financial report for the fiscal year 2024 within two months after the end of the fiscal year. Relevant arrangements are currently being planned."

Note 1: Always provide explanations in the summary description column, regardless of whether there are any deviations from the best practice principles.

## Directors' and Supervisors' Education:

Title	Name	Date	Title of class	Time
Chairman	Ruentex Engineering & Construction Co., Ltd. Representative: Mo, Wei-Han	2023.04.28	Professional Course on Corporate Governance and Securities Regulations	3
		2023.10.13	2023 Insider Trading Prevention Seminar	3
		2023.12.18	Corporate Governance and Securities Regulation & CFC System for Controlled Foreign Enterprises	3
Director	Ruentex Engineering & Construction Co., Ltd. Representative: Lee, Chih-Hung	2023.04.28	Professional Course on Corporate Governance and Securities Regulations	3
		2023.10.13	2023 Insider Trading Prevention Seminar	3
Director	Ruentex Industries Ltd. Representative: Hsu, Sheng-Yu	2023.04.28	Professional Course on Corporate Governance and Securities Regulations	3
		2023.07.04	Cathay Pacific Sustainable Finance & Climate Change 2023 Summit Forum	3
Director	Ruentex Industries Ltd. Representative: Chen, Hsueh-Hsien	2023.04.28	Professional Course on Corporate Governance and Securities Regulations	3
		2023.10.13	2023 Insider Trading Prevention Seminar	3
Director	Huei Hong Investment Co., Ltd. Representative: Yin, Chung-Yao	2023.07.04	Cathay Pacific Sustainable Finance & Climate Change 2023 Summit Forum	6
Director	Huei Hong Investment Co., Ltd. Representative: Yin, Chung-En	2023.03.30~2023.03.31	“[Corporate Net Zero Risk Management] International Sustainability Standards Practice Workshop - TCFD and SROI”	18
		2023.04.28	Professional Course on Corporate Governance and Securities Regulations	3
		2023.11.16	2023 ESG Summit - Example Sharing of Sustainability Disclosure Professional Workshop	2
		2023.12.18	Corporate Governance and Securities Regulation & CFC System for Controlled Foreign Enterprises	3
Independent Director	Chen, Ming-Chin	2023.07.12	AI Mindset and Digital Transformation	3
		2023.11.03	Seminar for TWSE/TPEX Listed Companies - Gaining Insight into Financial Derivative Market and Moving towards Corporate Sustainability	3
		2023.11.15	2023 Presentation of Insider Trading on Equity Transaction Related Laws and Compliance	3
Independent Director	Chang, Ta-Peng	2023.04.27	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies	3
		2023.09.04	The 14 <sup>th</sup> Taipei Corporate Governance Forum - Full Day Session	6
		2023.11.22	2023 Presentation of Insider Trading on Equity Transaction Related Laws and Compliance	3
Independent Director	Huang, Shi-Jian	2023.04.27	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies	3
		2023.09.04	The 14 <sup>th</sup> Taipei Corporate Governance Forum - Afternoon Session	3

(IV) If a Remuneration Committee is in place, disclose its composition, duties, and operation:

(1) Data of Remuneration Committee Members

Title (Note 1)	Requirements Name	Professional qualification requirements and experiences (Note 2)	Facts about independence attribute (Note 3)	Concurrently an Independent Director for Other Public Companies
Independent Director	Chen, Ming-Chin (Convener)	Please see “Disclosure of the Professional Qualifications and Independence of Independent Directors” located in pages 21-23 of the Annual Report.		1
Independent Director	Chang, Ta-Peng			Nil
Independent Director	Huang, Shi-Jian			Nil

Note 1: Please enumerate in the Table the service seniority at the relevant works, professional qualifications, hands-on experiences and independence attribute of all members in the Remuneration Committee. In case of an independent director, please just remark please refer to the relevant contents of the database of the directors and supervisors in Table 1 appearing on Page \_\_. Identity capacity: Please indicate as an independent director or elsewhere (In case of the convener, please remark as well).

Note 2: Professional qualifications and experiences: Elaborate on the professional qualifications and hands-on experiences held by the individual members of the Remuneration Committee.

Note 3: Fact about consistency in independence: Please elaborate on conformity with independence attribute of all members in the Remuneration Committee, including but not limited to the members themselves, their spouses, blood relatives within the second degree of kinship regarding whether they serve with the Company or an affiliated enterprise thereof as director and supervisor or employee; the number and percentage of the Company’s shares held by the members themselves, their spouses, blood relatives within the second degree of kinship; whether they serve with the Company or a company in specific relationship (Please refer to provisions set forth under Subparagraphs 5~8, Paragraph 1, Article 6 of Regulations Governing Listed Public Companies or Companies Trading at Securities Dealers’ Business Premises on Establishment of Remuneration Committee and Exercise of Their Powers”; the amounts of remunerations obtained in the most recent two years for commercial, legal, financial and accounting services provided to the Company or its affiliated enterprise(s).

Note 4: Regarding method of disclosure, please refer to the benchmark example on the best practice of the Corporate Governance Center, Taiwan Stock Exchange Corporation.

2. Operation of Remuneration Committee

(1) The Remuneration Committee consists of three members

(2) The term of the current Committee is from June 8, 2022 to May 30, 2025. Two Committee meetings (A) were held in the previous year (2023), and the qualifications and attendance record of members are explained below:

Title	Name	Actual Attendances (B)	Attendances by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Remark
Convener	Chen, Ming-Chin	2	0	100%	Re-elected
Committee Member	Chang, Ta-Peng	2	0	100%	Re-elected
Committee Member	Huang, Shi-Jian	2	0	100%	Newly-elected

Other Information Required for Disclosure:

I. Causes for and resolutions of discussions of the Remuneration Committee in the previous year.

Remuneration Committee	Proposal Contents and Handling	Resolution	Decision of the Board of Directors in response to the opinions from the Remuneration Committee
4th Term 3rd Meeting; January 17, 2023	1. The Company's managers performance assessment for the second half of 2022. 2. The Company's 2022 Board of Directors performance assessment. 3. The Company's 2022 Directors' compensation. 4. Changes to the compensation of the Company's managers. 5. The Company's 2022 Managers performance bonus. 6. The Company's Proposed allocation percentage for 2022 employee remuneration.	Unanimous consent of all remuneration committee members.	Passed during the 5th Meeting of the 12th Board of Directors on January 17, 2023.
4th Term 4th Meeting; August 11, 2023	1. The Company's 2022 Annual Industry Survey Report. 2. The Company's Compensation Report of the Managers for 2022. 3. The Company's managers performance assessment report for the first half of 2023. 4. The Company's changes in the compensation of the Managers for 2023.	Unanimous consent of all remuneration committee members.	Passed during the 9th Meeting of the 12th Board of Directors on August 11, 2023.

- II. Where the Board of Directors does not adopt or amend the suggestion from the Remuneration Committee, please elaborate on the date, term, contents of motions and result of resolution for the Board of Directors meeting convened and the measures taken by the Company in response to the opinions of the Remuneration Committee (e.g., in the event that the remuneration resolved by the Board of Directors is higher than that suggested by the Remuneration Committee, please elaborate on the fact and reason of the differential gap): NA
- III. Decisions resolved by the Remuneration Committee: Where a Committee member objects or voices a qualified opinion as backed up in writing or with a record, please elaborate on the date, term, contents of motions, opinions of all members and acts taken in response to such members: NA

Note: (1) Date of resignation is shown for members of the Remuneration Committee who resigned prior to the close of the financial year. The percentage of in-person attendance (%) is calculated based on the number of Remuneration Committee meetings held and the number of meetings attended in-person during active duty.

- (2) If a re-election of Remuneration Committee members took place prior to the close of the financial year, members of both the previous and the current Remuneration Committee will be listed; in which case, the remarks column will specify whether the committee member was elected in the previous Board, the new Board, or both. In-person attendance rate (%) is calculated based on the number of Remuneration Committee meetings held and the number of meetings attended in-person during active duty.

(V) Sustainable development practices; deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Assessment Item	Status of Operation (Note 1)		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		The company adheres to the vision and mission of ESG policy, aiming for sound and sustainable management. In 2023, the company established a Sustainability Development Committee composed of cross-departmental personnel. The Chairman serves as the convener of the Sustainability Development Committee, responsible for planning, executing, and promoting various sustainability development action projects. The committee addresses economic, environmental, and social issues arising from operational activities, with subgroups including Corporate Governance, Environmental Sustainability, and Employee Welfare and Community Engagement. The committee reports to the Board of Directors at least once a year on the progress and outcomes of sustainability development action projects, enabling the Board of Directors to understand the implementation status of sustainability issues. In addition to reviewing the progress of strategies, the Board urges the management team to make adjustments as necessary to ensure the sustainable development and mutual prosperity of the company and society. In 2023, the reports to the Board of Directors included progress updates on greenhouse gas inventory four times, execution reports on sustainability report preparations three times, and one report on the	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			implementation of integrity management.	
II. Has the Company, pursuant to the principle of materiality, carried out risk management toward environmental, social and corporate governance related risk assessment and further set up relevant risk management policies or strategies? (Note 2)	V		<p>I.</p> <p>1. Environmental Protection: The Company is devoted to promoting environmental restoration and making energy efficiency improvements. Through long-term planning and commitment, the Company has rigorously implemented plantation and biodiversity preservation projects throughout plant and mining sites as a way to mitigate environmental impacts of production activities. Furthermore, the following “energy and carbon reduction”, “greenhouse gas reduction”, and “water and waste reduction” initiatives are being taken as part of the management strategy:</p> <p>(1) All offices implement energy conservation and carbon reduction measures, including use of electronic (paperless) documents, use of compostable toilet paper, garbage sorting, turning off lights when not in use, and building energy-efficient facilities, in order to reduce GHG emission and environmental impacts with real action.</p> <p>(2) GHG Reduction Measures: Optimization of the suspension preheater system; modification of the</p>	No significant difference.

Assessment Item	Status of Operation (Note 1)		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
			<p>raw material mixing system into an exterior circulation; and modification of the #2 fan into a high-efficiency inverter type.</p> <p>(3) Water Conservation and Waste Reuse Measures: Ongoing investments are being made to reduce production water usage and to recycle rainwater for more efficient use of water resources.</p> <p>2. Social Norms: The Company complies with The Company Act, Securities and Exchange Act, Mining Act, and Fair Trade Act in every aspect of its daily operations. All employees and suppliers are requested to carry out production and business activities strictly in compliance with laws. The Company also organizes internal meetings and courses to promote regulatory awareness.</p> <p>3. Corporate Governance: The Company has implemented the Ethical Corporate Management Best Practice Principles, Codes of Ethical Conduct, operating procedures, and behavioral guidelines for the management and employees to observe to ensure compliance with respect to ethics and business practice. By implementing internal control, approval authority, and job specialization, the Company has been able to improve the efficiency and performance of its operations,</p>	

Assessment Item	Status of Operation (Note 1)		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
			protect assets, ensure compliance with laws, and duly enforce corporate governance.	
III. Environmental issues				
(I) Has the Company set up appropriate environmental management experiment based on its industrial characteristics?	V		(I) The Company has developed its own environmental management systems out of respect for environmental protection and compliance with environmental protection laws. The system has been certified for ISO 14001 - Environmental Management Systems (Validity: August 3, 2017 to August 2, 2026) and ISO 50001 - Energy Management Systems (Validity: November 21, 2017 to November 20, 2023).	No significant difference.
(II) Does the Company endeavor to utilize resources more efficiently and use reusable materials which have a low impact on the environment?	V		(II) The Company not only complies with environmental protection laws in all aspects of its operation, but is also capable of developing green, energy-efficient products in line with the latest environmental trends and energy/carbon reduction policies. It is the goal of the organization to contribute to a low-carbon economy, a sustainable environment, and a growing society. Actively researching methods of waste and resource reuse to replace natural resources and raw materials not only reduces the consumption of cement	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(III) Does the Company assess the present and future potential risks and opportunities of climate change on the Company and take actions to related issues?	V		(III) products but also concurrently decreases greenhouse gas emissions. The Company evaluates the present and future potential risks and opportunities of climate change, and the assessment results and relevant response measures adopted can be found in the Implementation of Climate-Related Information on pages 78~81.	No significant difference.
(IV) Has the Company carried out statistics toward greenhouse gas emissions, water consumption and the aggregate total waste weight in the past two years and, in turn, established such policies for greenhouse gas reduction, water consumption reduction or other waste management oriented policies?	V		(IV) The Company remains committed to accomplishing various sustainability goals introduced by the Bureau of Energy, Ministry of Economic Affairs, including: “Improved Energy Efficiency: Increasing energy efficiency by 1% per year over the next 8 years” and “Clean Energy: Reducing nationwide CO2 emissions by 20% in 2030 (Compared to Base Year: 2005), reducing emissions to year 2000 level by 2025, and achieving net zero emission by 2050”. In addition to setting quantitative management goals for future years, the Company is also taking the initiative to increase energy efficiency and makes use of clean energy sources, and thereby contributes to a low-carbon economy, a sustainable environment, and a growing society. The Company engages AFNOR Asia Ltd. to	No significant difference.

Assessment Item	Status of Operation (Note 1)		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
			<p>conduct greenhouse gas surveys, and in the last two years, CO2 emissions were measured at 565,266 tons in 2021 and 604,030 tons in 2022; looking at the 6-year horizon, CO2 emissions have reduced 19% from 745,765 tons in 2016 to 604,030 tons in 2022. The Company also promotes water conservation and energy efficiency improvements throughout the organization out of respect for social responsibilities and support to the nation's energy and carbon reduction policies. Ongoing investments are being made to reduce production water usage and to recycle rainwater, and as a result, total water usage was 694,236 cubic meters in 2022 and 530,979 cubic meters in 2023. The volume of waste reused was measured at 44,386 tons in 2022 and 49,774 tons in 2023.</p>	
<p>IV. Social issues (I) Does the Company establish management policies and procedures in accordance with relevant laws and International Bill of Human Rights?</p>	V		<p>(I) The Company observes International Bill of Human Rights and prevailing laws of the country and manages human resources in accordance with labor regulations. Occupational safety is being monitored and promoted throughout the organization to eliminate or lessen risks at work.</p>	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(II) Has the Company enacted and enforced rational employee welfare measures (including, e.g., remuneration, vacation leave and other welfares( and put the business performance results into appropriately reflection toward employees in their benefits?	V		(II) A summary of the company's management policies and specific plans is as follows: 1. Provide a safe and healthy working environment and obtain ISO45001 certification. 2. Assist employees to maintain physical and mental health and work-life balance, and provide regular consultation services for labor health nurses and physicians. 3. Include human rights clauses in contracts with suppliers, and implement on-site audits. The Company values employees' well-being and training, complies with labor regulations, and is committed to protecting workers' rights. As an incentive to retain talents and maintain competitiveness, the Company conducts performance evaluations every six months and has a bonus policy in place that clearly associates bonus payouts with employees' contributions. According to the Articles of Incorporation, the Company is required to allocate at least 1% of the profits concluded in a year, if any, as employee remuneration, and shall set employees' compensation at a level that appropriately reflects business performance.	No significant difference.
(III) Does the Company	V		(III) The Company is dedicated to	No significant

Assessment Item	Status of Operation (Note 1)		Summary Description	Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
provide employees with a safe and healthy work environment and arrange regular safety and health education for employees?			<p>providing employees with a safe and healthy work environment and ensuring that the work environment conforms with occupational health and safety standards. It has been certified for ISO 45001/TOSHMS and CNS 45001:2018 - Occupational Health and Safety Management Systems (Validity: October 17, 2017 to October 16, 2026). Employees are subjected to regular health checkups twice a year, whereas senior executives are subjected to advanced health checkups once a year. The Company complies strictly with the terms of the Labor Standards Act and organizes health and safety education for employees on an unscheduled basis.</p> <p>In 2023, there was one occupational hazard that resulted in one employee being injured, accounting for 0.28% of total employees. The hanging ear of the space bag was broken due to excessive concentration, resulting in injury. The location of the hanging ear has since been updated.</p> <p>There were no fire incidents in 2023. On 2023.12.22, the Company conducted self-defense formation training for the second half of 2023 and reported the results to the</p>	difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(IV) Does Company establish effective career development and training plans for employees?	V		(IV) Dongshan Fire Brigade. Every year, we plan a budget and arrange regular and unscheduled pre-employment on-the-job training for employees to ensure the Company's CSR compliance, and enhance employee's professional skills, leadership competence, and career development. To encourage employees to receive further education without effective corporate business and to develop quality management and professional talents, we provide diverse channels for further education and promote employees to exchange management and professional experience with other enterprises. In addition, we encourage employees to enrich themselves, participate in external further education courses, and provide rewards for certificates and licenses to incentivize employees to actively engage in further education.	No significant difference.
(V) Does the company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy,	V		(V) The Company labels all of its products according to domestic regulations as well as international standards, and has been certified for ISO9001 - Quality Management Systems. The Company also conducts quality inspections on its products and services, and has effective customer	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>market communication, and labeling of its products and services and establish policies to protect the rights and interests of customers or clients and procedures for grievances?</p> <p>(VI) Has the Company sets up supplier managerial policies to demand that all suppliers exactly comply with health or labor-based human rights related specifications and the fact about the implementation.</p>	V		<p>complaint procedures in place to handle disputes according to contract terms.</p> <p>(VI) (1) The Company has outlined a set of occupational health and safety requirements that must be observed when outsourcing jobs. All contractors are bound to make health and safety arrangements according to the Occupational Health and Safety Act and related laws, and are required to appoint the minimum number of occupational health and safety officers, operation supervisors, specialists, and operators given their size and nature of work activities. (2) Execution Progress: All suppliers are bound to comply with occupational health and safety requirements on outsourcing. All operators are required to complete the necessary training as required by laws and undergo health and safety awareness training of the Company before commencing work activities at the plant. Those that do not</p>	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			complete training are not permitted to engage in any production activities. The Company places great emphasis on choosing top-performing vendors, and assigns work inspectors to evaluate the suitability of each vendor regularly by completing the “Vendor Evaluation Form”. We hope to invite vendors to join our efforts in maintaining public safety and environmental health, and fulfill our corporate social responsibilities as responsible businesses. The Company will discontinue business dealings with non-essential suppliers that violate corporate social responsibilities.	
V. Does the company, following internationally recognized guidelines, prepare and publish reports, such as its Corporate Sustainability Report, to disclose non-financial information of the company? Are said reports assured or verified by a third-party certification body?		V	The 2023 corporate sustainability report of the Company is prepared in accordance with the GRI 2021 version, and the preparation and disclosure in accordance with the “Sustainability Accounting Standards Board” (SASB) disclosure standards for the construction materials industry. The relevant information is still being compiled and compiled. For the relevant content, please refer to the report expected to be issued in August 2024.	The Company expects to complete the Corporate Sustainability Report in 2024.
VI. If the Company has established sustainability policies in accordance with the				

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>“Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe its current practices and any deviations from the Best Practice Principles: The Company has established its own Sustainable Development Best Practice Principles, and duly follows the terms of the principles.</p>				
<p>VII. Other important information that helps the public understand sustainable development implementation status:            In addition to core business activities, the Company is also committed to:</p> <ol style="list-style-type: none"> <li>1. Giving back to society.</li> <li>2. Sustainable management of the environment, including the creation of energy conservation and carbon reduction yields.</li> <li>3. Improving the lives of customers, employees, and shareholders, and bringing stability to society as part of its corporate social responsibilities.</li> <li>4. The Company has established its own “Contractor Safety and Health Management Policy” and “Contractor Personnel and Machinery Control Policy” that specifically require contractors to make health and safety arrangements according to the Occupational Health and Safety Act and related laws. Contractors are required to appoint the minimum number of occupational health and safety officers, operation supervisors, specialists, and operators given their size and nature of work activities, and shall take part in the Company’s corporate social responsibility efforts.</li> <li>5. The company cooperates with the government's non-nuclear homeland and green energy development policies. Offshore wind turbines will become one of the main sources of renewable energy in Taiwan in the future. In recent years, the company has actively developed related materials for the localization of the green energy industry chain. The Company’s ShifuGrout U799, a specialized cement for the foundations of offshore wind turbines, has been certified by DNV Business Assurance Co., Ltd. (DNV), and will make the Company a supplier of ultra-strength cement for offshore wind turbines. The Company has also been developing a new product called ShifuGrout U769 specifically for offshore wind turbines that works with the SILO system to allow faster concrete filling under any weather conditions, including rain. DNV certification for ShifuGrout U769 is expected to be acquired in 2024.</li> </ol>				

Note 1: If Execution is specified as “Yes”, please explain the key policies, strategies, and measures taken and the execution progress. If Execution is specified as “No”, please explain the deviations and causes of deviation in the field titled “Deviations and Causes of Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, and provide any policy, strategy, and measures planned for the future.

Note 2: The term of principle of materiality refers to those with a significant impact upon the environmental protection, society and corporate governance, also with significant impact upon the Company’s investors and other stakeholders.

Note 3: In terms of method of disclosure, please refer to the website of Corporate Governance Center of Taiwan Stock Exchange Corporation as the best prototype for reference.

(VI) Climate-Related Information of TWSE/TPEX Listed Company

1 Implementation of Climate-Related Information

Item	Implementation			
<p>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>The Company's Board of Directors serves as the highest governing body for climate change issues, overseeing and reviewing climate risk management policies and systems. The Board also plays an important role in determining the Company's climate commitments and objectives. It meets on a regular basis to discuss current trends in climate risk opportunities, propose comprehensive corporate-level strategies for key climate risks, and review progress reports from the Sustainability Committee. The Board also facilitates communication about circular economy and low-carbon technology targets in order to align with the company's sustainability strategy and ensure stable, long-term operations. In order to improve the management and identification of climate-related risk and opportunity issues, the Company formed a Sustainability Committee in 2023 made up of cross-departmental personnel. The Sustainability Committee is convened by the Board's Chairman. The committee is required to hold annual meetings focused on the Company's key climate opportunity and risk issues, as well as to report to the Board of Directors at least once a year on the progress and outcomes of sustainability action projects. This keeps the Board informed about the implementation of sustainability issues. Furthermore, the Sustainability Committee is required to report to the Board quarterly on the status and timeline of greenhouse gas inventories and disclosures.</p>			
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>Identified short-, medium-, and long-term climate-related risks and opportunities</p>	<p><b>Short-term</b></p> <ul style="list-style-type: none"> <li>●Market risk: Rising costs of raw materials and energy</li> <li>●Policy and regulatory risk: Carbon pricing mechanism</li> <li>●Product and service opportunities: recycling (alternative raw</li> </ul>	<p><b>Mid-term</b></p> <ul style="list-style-type: none"> <li>●Transition risk: The cost of transition to low-carbon technology</li> <li>●Policy and regulatory risk: authorization and supervision of existing products and services</li> <li>●Energy</li> </ul>	<p><b>Long-term</b></p> <ul style="list-style-type: none"> <li>●Transition risk: Increased price of greenhouse gas emissions</li> <li>●Market opportunity: Entering new markets</li> </ul>

Item	Implementation		
		materials), development and expansion of low-carbon products and services	source opportunities: Use of low-carbon energy sources
	Impacts of climate-related risks and opportunities in business, strategic and financial planning	Major transformation risks	Key Climate Opportunities
		<ul style="list-style-type: none"> <li>●The implementation of alternative raw materials and alternative fuel technologies, and the development of technologies for reducing carbon emissions in the cement production process, resulting in increased capital expenditures for low-carbon technologies</li> <li>●Process improvement and process optimization to enhance energy efficiency to reduce operating costs</li> <li>●The Company will continue to monitor changes in raw material market prices and strengthen procurement and bidding strategies to control operating costs</li> <li>●Conduct company-wide GHG inventory in 2023 and set emission reduction targets as</li> </ul>	<ul style="list-style-type: none"> <li>●Increase the use of alternative raw materials and alternative fuels, reduce carbon emissions in the cement production process, increase disposal fee income and reduce coal costs</li> <li>●Develop low-carbon cement products, maintain a competitive advantage in the market, and reduce carbon costs</li> <li>●Continue to invest in the R&amp;D of green building materials and related green products, and obtain related patents to reduce the carbon content of building materials and expand business</li> </ul>

Item	Implementation	
		<p>the basis for future carbon credits and operating cost reductions</p> <ul style="list-style-type: none"> <li>● Replacement and use of energy-saving certified products in offices</li> </ul>
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>The physical risk of extreme climate events, such as equipment damage caused by heavy rainfall such as typhoons or fronts, resulting in increased maintenance and plant closures. The resulting financial impact was an increase in operating costs. The transformation action refers to the carbon reduction action plan promoted by the Company, including the promotion of the replacement of raw materials and fuels in the circular economy, the optimization of manufacturing processes, and the development of green building materials. The resulting financial impact is an increase in capital expenditures on low-carbon technologies and an increase in processing fee income.</p>	
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>Step 1: Collect climate issues Regularly collect issues related to climate change risks and opportunities with reference to the topics in the peer sustainability report, the peer CDP questionnaire, and cement industry trends</p> <p>Step 2: Internal compilation 1. Visit relevant departments to understand the definitions of various risks and opportunities, and analyze domestic and foreign regulations, market and technology development trends 2. Assessed the "Climate Risk Impact Rating Table" for risk assessment</p> <p>Step 3: Identify risk opportunities 1. Based on the assessment results of the degree of impact and the likelihood of occurrence, each unit identifies the Company's major climate risks and opportunities 2. Review existing strategies and management information on major climate risks and opportunities</p> <p>Step 4: Tracking and management 1. Based on the identification results and existing countermeasures, the Sustainable Development Committee reports to the Board of Directors, and the Board of Directors makes resolutions and formulates the Company's strategy 2. Track and review the progress of the response measures and closely track the changes in the overall internal and external environment to ensure the effectiveness of the response</p>	

Item	Implementation
	measures in this dynamic environment
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet evaluated the resilience in the face of climate change risks through scenario analysis. The planning tool is being carefully evaluated to improve the resilience to climate change risks.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company's transformation plan to manage climate-related risks is currently under planning, in order to reduce the impact of climate change transformation risks on the Company, and to seek market opportunities.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet used the internal carbon pricing as a planning tool. Before implementation, the Company will formulate the required strategic planning based on the specific circumstances of the Company to set the actual internal carbon price.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company's greenhouse gas emission reduction commitment is based on Dongshan Cement Plant's average greenhouse gas emissions in Scope 1 and 2 of 2021 and 2023 as the base year, and a commitment to reduce 8% by 2025. The emission intensity of Scope 1 and 2 cementitious materials in 2023 was 0.932 (tons of CO <sub>2</sub> e/cement cementitious material), and it is expected to complete the third-party verification by June 2024. The Company does not use carbon offsets or renewable energy certificates (RECs) to achieve related goals.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	The 2023 greenhouse gas inventory has been completed, and it is expected that the third-party (AFNOR) verification will be completed before June 2024. Please refer to 1-1 and 1-2 for details.

## 1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

### 1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Year	Emissions (tons CO <sub>2</sub> e)	Intensity (tons CO <sub>2</sub> e/NT\$ million)	Data coverage
111	604,030	189.326	Yilan Dongshan Plant
2021	565,266	214.971	Yilan Dongshan Plant

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies)

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

### 1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Year	Assurance range	Assurance institutions	Assurance criteria	Assurance opinion
2022	Yilan Dongshan Plant	AFNOR INTERNATIONAL CO., LTD.	ISO14064-1	Third-party verification has been completed and a verification statement of greenhouse gas emissions has been issued
2021	Yilan Dongshan Plant	AFNOR INTERNATIONAL CO., LTD.	ISO14064-1	Third-party verification has been completed and a verification statement of greenhouse gas emissions has been issued

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

## 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

For the greenhouse gas emission reduction plan of the Company, the Dongshan Cement Plant's greenhouse gas emission average from 2021 to 2023 Scope 1 and 2 is set as the base year, and its cement material emission intensity is 0.947 (tons CO<sub>2</sub>e/cement cementitious material), and the short-term reduce the emission intensity of Scope 1 and 2 cementitious materials to 8% by 2025, and the medium-term reduce the emission intensity of Scope 1 and 2 cementitious materials to 25% by 2030.

The strategy and concrete action plan are to implement the circular economy boosting capacity (increasing the capacity by substitution of raw materials), switching to low-carbon fuels (fuel substitution), improving the production process, and enhancing the energy efficiency, in order to reduce the unit carbon emission intensity.

In order to continue to achieve the international reduction trend, the Company conducts reduction tracking through the Sustainable Development Committee. Through the improvement of the energy efficiency of the equipment, the Company reduced the emission intensity of cement in 2023 to 0.932 (tons of CO<sub>2</sub>e/cement grout) in 2023, compared to 0.948 in 2022 and 0.963 (tons CO<sub>2</sub>e/cement cementitious material) in 2021, with a reduction of emission intensity by 1.7% and 3.2%, respectively. It is expected that the unit carbon emission intensity will continue to be revised down with active carbon reduction.

Note: Since the Company has not yet completed the inspection of the boundaries of the consolidated financial statements, the Company currently uses the data from the inspection of the Dongshan Cement Plant as the base year for calculation. In the future, the base year will be set and revised according to the needs of the Company and relevant national policies.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website

(VII) Performance in ethical corporate management and differences from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>I. Establishing Ethical Corporate Management Policies and Programs</p> <p>(I) Does the company establish policies for ethical corporate management approved by the Board of Directors and state such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?</p>	V		<p>(I) The Company has outlined its business integrity policy as part of the “Ethical Corporate Management Best Practice Principles”, which is disclosed on the MOPS and on the Company’s website. The best practice principles prohibit directors, managers, employees, or any controller from offering, committing, requesting, or accepting any illegitimate benefits, or involving themselves in any conduct that could be construed as dishonest, illegal, or in breach of trust, whether directly or indirectly, while carrying out their duties (collectively referred to as Dishonest Conduct below). Depending on the assessed risks of Dishonest Conduct, the internal audit unit would devise audit plans and conduct audits</p>	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(II) Does the company establish an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?	V		accordingly to check employees’ compliance with preventative measures. (II) By observing the “Ethical Corporate Management Best Practice Principles”, we analyze business activities that exhibit high risks of unethical conduct, implement enhanced preventions against offering and acceptance of bribes, and introduce measures against offering of illegal political donations.	No significant difference.
(III) Does the company establish in the preventive programs the operating procedures to prevent unethical behavior, penalties and grievance systems of breaching the guidelines for conduct, and implement and periodically review and revise them?	V		(III) We have established the “Ethical Corporate Management Best Practice Principles” to outline operating procedures, behavioral guidelines, whistle-blowing, and discipline systems. We also promote the importance of ethical conduct among employees in a timely manner.	No significant difference.
II. Implementing Ethical				

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(I) Corporate Management Does the company assess the ethical records of its counterparts and explicitly include clauses on ethical behavior in transaction contracts?	V		(I) The Company conducts systematic assessments on all customers and suppliers it works with. All rights and obligations between the two parties are outlined in contracts and are kept confidential.	No significant difference.
(II) Does the company establish a unit specializing in implementing ethical corporate management under the Board of Directors and report regularly (at least once a year) to the Board of Directors the status of implementation and supervision of the ethical management policy and preventive programs of unethical behavior?	V		(II) To better enforce integrity management, the Company has assigned the President's Office the duty of overseeing the establishment and execution of business integrity policies and prevention. The President's Office makes regular reports (at least once a year) to the Board of Directors regarding the execution of business integrity policy and prevention against dishonest conduct. The Company's 2023 compliance with integrity management has been reported to the board of directors on December 26, 2023.	No significant difference.
(III) Does the Company establish and implement a policy to prevent conflicts of interest and provide suitable channels for	V		(III) The Company has outlined prevention against conflicts of interest as part of the Ethical Corporate	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
reporting such conflicts?			Management Best Practice Principles. Employees are encouraged to report violations to the internal audit head via phone, mail, or other available means of communication. The whistleblower's identity and details of the report made will be kept strictly confidential.	
(IV) Does the company establish an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?	V		(IV) Management of the Company has developed effective accounting systems and internal control systems. Internal auditors make annual audit plans based on risks and execute them accordingly.	No significant difference.
(V) Does the Company regularly organize internal and external education and training activities for ethical corporate management?	V		(V) The Company organized a variety of internal and external training on issues relating to business integrity in 2023 (which covered topics such as business integrity behavioral guidelines, violation and	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			discipline, insider trading and shareholding regulations, corporate governance, internal control for business secrets, prevention against misstatement of financial statements, internal control and auditing on corruption and fraud, and health and safety management/inspections; these training courses received 555 enrollments and delivered 2,030 hours of training in total).	
III. Operating the Whistleblowing System (I) Does the Company establish explicit whistleblower and reward schemes and convenient reporting channels, and assign appropriate personnel to investigate the target of a whistleblower report?	V	(I)	We have specified the need to provide official reporting channels in the “Ethical Corporate Management Best Practice Principles”, and defined the importance of keeping confidential the identity of whistleblowers and the reported content. Upon discovering illegal or unethical behaviors, employees can report to the supervisor, manager, internal audit head, or other appropriate staff.	No significant difference.

Assessment Item	Status of Operation (Note 1)			Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(II) Does the company establish standard operating procedures for investigation, post-investigation measures, and related mechanisms to ensure the confidentiality of a whistleblower complaint?	V		(II) To encourage reporting of illegal or unethical behaviors, we make sure that employees know that we will protect and keep confidential the privacy of whistleblowers according to related processes or mechanisms of the Company.	No significant difference.
(III) Does the Company establish measures to protect whistleblowers against retaliation?	V		(III) We are committed to maintaining confidentiality of and protecting whistleblowers.	No significant difference.
IV. Reinforcing Information Disclosure (I) Has the Company disclosed its Best-Practice Principles on Good Faith Management including the contents and performance of the implementation, through its own website and Market Observation Post System (MOPS)?	V		(I) The Company discloses the terms of the Ethical Corporate Management Best Practice Principles on its website and on the MOPS; progress on enforcement of business integrity is also disclosed on the corporate website.	No significant difference.
V. Where the Company has duly enacted its own Best-Practice Principles on Good Faith Management in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please elaborate on the difference between the hands-on practice and requirements under the official Principles: Without a significant difference.				
VI. Other significant information conducive for better awareness of the Company’s implementation of Best-Practice Principles on Good Faith Management: (E.g., the Company’s reassessment and update of the Ethical Corporate Management Best				

Assessment Item	Status of Operation (Note 1)		Summary Description	Deviations and the Cause(s) of Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
Practice Principles): NA				

Note: Always provide an explanation in the summary description column, regardless of whether there are any deviations from the best practice principles.

(VIII) If the Company has established the Governance Best Practice Principles and related regulations, please disclose the methods to access them:

1. The Company observes the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and has established its own internal policies such as the Corporate Governance Best-Practice Principles and Independent Director Responsibility Principles to support sound corporate governance. Measures have been taken to enhance information transparency, support Board functions, and enforce corporate governance practices; all relevant policies are disclosed under the “Corporate Governance” section on the MOPS and on the Company’s website.
2. Enquiry Method: These regulations are available for enquiries from the “Governance Related Regulations” in “Governance” on the MOPS (<http://mops.twse.com.tw>) or our corporate website (<http://www.rt-develop.com.tw>).

(IX) Other material information that is helpful for understanding the status of implementation of corporate governance: NA.

(X) Implementing the Internal Control System:

1. Statement on Internal Control: See the next page for details.
2. The Company auditing its internal control system by a CPA shall disclose the CPA audit report: Not applicable.

Ruentex Materials Co., Ltd.  
Statement of Internal Control

Date: March 13, 2024

With regards to the results of the 2023 self-assessment of the internal control system, we hereby declare as follows:

- I. We acknowledge and understand that it is the responsibility of our Board of Directors and managers to establish, implement, and maintain an internal control system, and we have established such system. The purpose is to fairly ensure the effect and efficiency of operations (including profitability, performance, and security of assets); the reliability, timeliness, and transparency of financial reporting; and the achievement of legal compliance.
- II. There is a limitation inherent to each internal control system, however perfect the design is. As such, an effective internal control system can only fairly ensure the achievement of the aforementioned goals. Furthermore, the effectiveness of an internal control system may vary as the macro environment and situation change. By equipping our internal control system with a self-monitoring mechanism, we can take immediate corrective actions against any defects once identified.
- III. Referring to the criteria for determining the effectiveness of an internal control system as specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (the “Criteria”), we judge the effectiveness of design and implementation of our internal audit system. With regard to the management control process, the Criteria divide an internal control system into five elements: a) control environment, b) risk evaluation, c) control operation, d) information and communication, and e) monitoring. Each element in turn contains certain audit items, and the Criteria shall be referred to for details.
- IV. We have assessed the effectiveness of design and implementation of our internal control system with such criteria.
- V. On the grounds of the assessment results under the preceding paragraph, the Company holds that the design and implementation of the Company’s internal control system (including the supervision and management over the subsidiaries) as of December 31, 2023, including awareness of the effectiveness of operations and the extent to which efficiency objectives have been accomplished as well as the reports concerned have been virtually reliable in real-time, transparent, well satisfactory to the relevant norms and relevant laws and regulations as well as the compliance with the relevant internal control systems. All aforementioned contents would rationally assure satisfactory accomplishment of the aforementioned targets.
- VI. This statement shall form an integral part of the Annual Report and the prospectus of this Company and will be disclosed to the public. If there is any fraud, concealment, or unlawful practice found in the above contents, we shall be liable for the legal consequences under Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.

VII. The present Declaration was duly resolved by the Board of Directors on March 13, 2024. Among nine directors participating in that event, none objected at all and all extended full consent to back up the contents of the Declaration, as solemnly declared herewith.

Ruentex Materials Co., Ltd.

Chairman: Mo, Wei-Han

President: Chen, Hsueh-Hsien

- (XI) Punishments, major defects, and improvements in the previous year and by the date of report publication of the Company or its personnel by the law or for violation of the regulations of the internal control system: NA.
- (XII) Important resolutions made by the Annual General Meeting of Shareholders (AGM) and the shareholders' meeting in the previous fiscal year and by the date of annual report publication:

1. Major Shareholder Meeting Resolutions

Date of the Meeting	Category	Resolution
2023.05.22	Annual Meeting of Shareholders	Major Annual General Meeting Resolutions:
		(1) 2022 Business Report.
		(2) Audit Committee's review report on the 2022 year-end accounts.
		(3) Report on distribution of 2022 employees' remuneration.
		(4) Report on the amendments to the Company's "Corporate Governance Best Practice Principles".
		(5) Report on other matters.
		(6) Passed acknowledgment of the Company's 2022 Business Report and Financial Statements.
		(7) Passed acknowledgment of the Company's 2022 earnings distribution proposal.
		(8) Approved the proposal of cash distribution from capital reserve.
		(9) Approved the amendments to the "Rules of Procedure for Shareholders' Meetings" of the Company.
(10) Passed the removal of restrictions imposed against the directors for involving themselves in competing businesses.		

2. Major Board Meeting Resolutions

Date of the Meeting	Category	Resolution
2023.01.17	Board of Directors	1. Presentation of the Company's Internal Audit Report for Q4 2022.
		2. Presentation of Remuneration Committee meeting minutes.
		3. Presentation of performance evaluation results of the Board of Directors for 2022.
		4. Presentation of the status of corporate sustainability report operational planning situation.
		5. Passed changes to the compensation of the Company's managers.
		6. Passed payment of performance bonuses to Managers for 2022.
		7. Approved the percentage to provide the Company's 2022 employee remuneration.

Date of the Meeting	Category	Resolution
		<p>8. Passed amendments to the Company's "Corporate Governance Best Practice Principles."</p> <p>9. Approved amendments to the Company's "Rules of Procedure for Board of Directors Meetings".</p> <p>10. Passed contracting and annual quotation of RT.MIX Concrete Flooring Work with Ruentex Engineering &amp; Construction Co., Ltd.</p> <p>11. Passed the signing of the "RT.MIX Selling Price" agreement with Ruentex Engineering &amp; Construction Co., Ltd.</p> <p>12. Approved the signing of "Outsourcing of Production for Dry-Mix Mortar Materials" with Ruentex Engineering &amp; Construction Co., Ltd.</p> <p>13. Passed details concerning the 2023 annual Shareholders' Meeting.</p>
2023.03.10	Board of Directors	<p>1. Report on liability insurance coverage for the Company's directors and key staff.</p> <p>2. Report on the Company's greenhouse gas inventory and verification schedule planning.</p> <p>3. Approved the motion for the Company to apply for the extension and renewal of loan facilities from two financial institutions including Hua Nan Bank Da An Branch and other financial institutions for the need for operating turnover.</p> <p>4. Passed the extension and renewal of loan amount applied for by Financial Institutions such as Bank of Taiwan Tunhua Branch for operational turnaround requirements.</p> <p>5. Approved the distribution of employee remuneration in 2022.</p> <p>6. Passed the Company's 2022 Business Report and Financial Statements.</p> <p>7. Approved 2022 earnings distribution proposal.</p> <p>8. Approved the proposal of cash distribution from capital reserve.</p> <p>9. Passed the Company's 2022 Management's Reports on Internal Control.</p> <p>10. Passed the discussion of "whether material accounts receivable should be treated as external party lending if overdue for more than 3 months on top of the normal credit term".</p> <p>11. Passed amendments to the Rules of Procedure for Shareholders' Meetings.</p> <p>12. Passed correction to details concerning the 2023 annual Shareholders' Meeting.</p> <p>13. Passed the removal of restrictions imposed against new directors of the Company for involving themselves in competing businesses.</p>
2023.05.10	Board of Directors	<p>1. Presentation of the Company's Consolidated Financial Report for Q1 2023.</p> <p>2. Report on the stock release of the subsidiaries that plan to be listed on TWSE/TPEX.</p> <p>3. Approved the motion for the Company to apply for a loan extension renewal at the financial institution DBS Bank.</p> <p>4. Passed the Company's Consolidated Financial Report for Q1 2023.</p> <p>5. Approved the establishment of the "Chief Governance Officer."</p> <p>6. Approved the revision of the "Operating Procedures for Preparation and Certification of Sustainability Reports" of the Company.</p> <p>7. Approved the proposal for amendment to the Company's "Internal Control System" and "Internal Audit Act Enforcement Rules."</p>
2023.06.20	Board of Directors	<p>1. Report on the Company's greenhouse gas inventory and verification schedule planning.</p> <p>2. Presentation of the status of corporate sustainability report operational implementation status.</p> <p>3. Approved the ex-dividend date and the distribution date for the cash distribution from the Company's capital surplus.</p>

Date of the Meeting	Category	Resolution
2023.08.11	Board of Directors	1. Presentation of the Company's Internal Audit Report for Q2 2023.
		2. Presentation of Remuneration Committee meeting minutes.
		3. Report on the Company's greenhouse gas inventory and verification schedule planning.
		4. Passed acknowledgment of the extension and renewal of loan amount applied for by three Financial Institutions such as Mega Bank Financial Holding Headquarter Branch.
		5. Approved the motion of recognizing the contracts signed between the Company and Ruentex Engineering & Construction Co., Ltd. for the "Qingtianjie Project Main Structure - Acoustic Flooring" and "Qingtianjie Project Main Structure - Wear-resistant Flooring."
		6. Passed acknowledgment of the extension and renewal of loan amount applied for by five Financial Institutions such as Mega Bills.
		7. Passed the Company's Consolidated Financial Report for Q2 2023.
		8. Passed the signing of the "RT.MIX Selling Price" agreement with Ruentex Engineering & Construction Co., Ltd.
		9. Passed changes to the compensation of the Company's managers.
		10. Approved the Company's "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" of the Company.
2023.11.07	Board of Directors	1. Presentation of the Company's Internal Audit Report for Q3 2023.
		2. Report on the Company's greenhouse gas inventory and verification schedule planning.
		3. Report on the status of corporate sustainability report operational implementation status.
		4. Approved to ratify the extension and renewal of loan amount applied for by 4 Financial Institutions such as Chang Hwa Bank Tunhua Branch.
		5. Approved the motion to approve the Company's contracts with Ruentex Engineering & Construction Co., Ltd. for the "Dharma Drum Mountain Zi Yun Monastery Project - Wear-resistant Flooring" and the "Ruentex Wanhua Huajiang Section Social Housing Project."
		6. Passed acknowledgment of the extension and renewal of loan amount applied for by three Financial Institutions such as Land Bank Minquan Branch.
		7. Passed the Company's Consolidated Financial Report for Q3 2023.
2023.12.26	Board of Directors	1. Report on information description of audit planning matters and audit quality indicators related to the Company's financial statements for 2023.
		2. Report on the Company's regular evaluation of the independence of CPAs.
		3. Report on the fulfillment of business integrity in 2023.
		4. Approval of the Company's Proposal of the 2024 CPA Remuneration.
		5. Passed the Company's Business Plan for the year of 2024.
		6. Passed the Company's 2024 internal audit plan.
		7. Approved the amendments to the "Approval Authority" of the Company.
		8. Approved the signing of a building materials contract with Ruentex Engineering & Construction Co., Ltd. for "Prefabrication Plant-Cement Materials of Prefabrication Plant in 2024".
8. Passed the signing of a building materials contract with Ruentex Engineering & Construction Co., Ltd. for "Prefabrication Plant-Cement Materials of Prefabrication Plant in 2023".		
2024.01.30	Board of Directors	1. Presentation of the Company's Internal Audit Report for Q4 2023.
		2. Presentation of Remuneration Committee meeting minutes.

Date of the Meeting	Category	Resolution		
		3. Presentation of performance evaluation results of the Board of Directors for 2023.		
		4. Approved to ratify the extension and renewal of loan amount applied for by three Financial Institutions such as Hua Nan Bank Da An Branch for operating turnover.		
		5. Approved the motion for the motion of the Company's contract signing with Ruentex Engineering & Construction Co., Ltd. for the "Veterans General Hospital Dormitory Construction - Soundproof Flooring."		
		6. Passed changes to the compensation of the Company's managers.		
		7. Passed payment of performance bonuses to Managers for 2023.		
		8. Approved the Company's distribution of 2022 remuneration to managerial officers.		
		9. Passed allocation percentage for the Company's 2023 employee remuneration.		
		10. Approved the proposal to amend the Company's "Salary Management Regulations."		
		11. Passed contracting and annual quotation of RT.MIX Concrete Flooring Work with Ruentex Engineering & Construction Co., Ltd.		
		12. Passed the signing of the "RT.MIX Selling Price" agreement with Ruentex Engineering & Construction Co., Ltd.		
		13. Pass of amendment to the Company's "Articles of Incorporation".		
		14. Passed details concerning the 2024 annual Shareholders' Meeting.		
		2024.03.13	Board of Directors	1. Report on liability insurance coverage for the Company's directors and key staff.
				2. Report on the Company's greenhouse gas inventory and verification schedule planning.
3. Presentation of the status of corporate sustainability report operational execution situation.				
4. Passed the extension and renewal of loan amount applied for by Financial Institutions such as Bank of Taiwan Tunhua Branch for operational turnaround requirements.				
4. Passed the extension and renewal of loan amount applied for by Financial Institutions such as Bank of Taiwan Tunhua Branch.				
5. Passed the distribution of employee remuneration in 2023.				
6. Passed the Company's 2023 Business Report and Financial Statements.				
7. Passed 2023 earnings distribution proposal.				
8. Passed 2023 annual declaration of internal control system of the Company.				
9. Approved the proposal for amendments to the Company's "Rules of Procedure for Board of Directors Meetings" and "Audit Committee Charter."				
10. Approved the signing of a construction contract with Ruen Yang Construction Co., Ltd. for the warehouse expansion project in Dongshan Plant.				
11. Approved the motion for the Company's signing the "UHPC Energy Storage Cabinet Manufacturing Organization" with Ruentex Engineering & Construction Co., Ltd.				

### 3. Execution of Resolutions Made in the 2023 Annual General Meeting

	Resolutions	Implementation
Annual Meeting of Shareholders	(1) Passed acknowledgment of the Company's 2022 loss reimbursement proposal.	Upon the resolution of the annual shareholders' meeting, the legal reserve of NT\$3,844,427 and the special reserve of NT\$34,599,835 were appropriated.
	(2) Approved the proposal of cash distribution from capital reserve.	Upon resolution of the annual shareholders' meeting, distribute the additional paid-in

		capital of NT\$34,500,000 to the shareholders, at the amount of NT\$0.23 per share. The board of directors convened on June 20th, 112, and resolved to set the ex-dividend date as July 16th, 112, with distribution taking place on July 28th, 112.
Annual Meeting of Shareholders	(3) Approval of the amendment to the “Rules of Procedure for Shareholders’ Meetings.”	Following the annual general meeting resolution, details of the amended policy were announced on the MOPS are have since been implemented.
	(4) Passed the removal of restrictions imposed against new directors for involving themselves in competing businesses.	Following the annual general meeting resolution, details of the amended policy were announced on the MOPS are have since been implemented.

(XII) In the previous fiscal year and by the date of annual report publication, for directors or supervisors who have expressed different opinions on important resolutions with a record or written statement made, please state the content of the different opinion in details: None.

(XIII) In the previous fiscal year and by the date of annual report publication, the summary of the resignation or dismissal of the company’s chairman, president, chief accounting officer, chief finance officer, internal audit head, chief governance officer, and chief R&D officer: None.

V. Information on the Fees Payable to the Attesting Certified Public Accountants:

Amount Unit: NT\$ thousands

Name of CPA Firm	Name of CPA		Accountants’ Audit Period	Audit Fee	Non-audit Fee	Total	Remark
PwC Taiwan	Huang, Chin-Lien	Chang, Shu-Chiung	January 1, 2023 to December 31, 2023	2,200	50 (Note)	2,250	
(Note): The non-audit fees paid to PwC Taiwan were to facilitate review of the “Full-time Employee Salary Information Checklist for Non-Executive Functions.”							

- (I) Non-audit fee paid to the CPAs, CPAs’ affiliated firm, and its associated enterprises accounted for more than 25% of the audit fee: None.
- (II) Upon replacement of certified public accountants, the auditing fee paid in the year of replacement decreased over the auditing fee paid in the year preceding replacement: NA
- (III) Any reduction in audit fees by more than 10% compared to the previous year: None.

Note: If there is any change of auditor or accounting firm during the year, please specify the duration of their services separately and state the reason for making the change in the remarks field. Any audit and non-audit fees paid to auditors should also be disclosed separately. Provide detailed explanations to non-audit services.

VI. Change of Accountants: Nil

VII. Any of the Company’s Chairman, President, or Managers Involved in Financial or Accounting Affairs Being Employed by the Auditor’s Firm or Any of its Affiliated Companies Within the Most Recent Year; Disclose their Names, Job Titles, and the Periods During Which They Were Employed by the Auditor’s Firm or Any of its Affiliated Companies: None.

VIII. In the Previous Fiscal Year and by the Date of Annual Report Publication, the Equity Transfer and Change in Pledged Equity of the Directors, Managers, and Shareholders with More Than 10% Shareholding

(1) Changes in Shareholdings of Directors, Managers, and Major Shareholders:

Unit: Shares

Title	Name	2023		2024 As of March 26	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
Chairman	Ruentex Engineering & Construction Co., Ltd.	0	0	0	0
	Representative: Mo, Wei-Han	0	0	0	0
Director	Ruentex Engineering & Construction Co., Ltd.	0	0	0	0
	Representative: Lee, Chih-Hung	0	0	0	0
Director	Ruentex Industries Ltd.	0	0	0	0
	Representative: Hsu, Sheng-Yu	0	0	0	0
Director	Ruentex Industries Ltd.	0	0	0	0
	Representative: Chen, Hsueh-Hsien	0	0	0	0
Director	Huei Hong Investment Co., Ltd.	0	0	0	0
	Representative: Yin, Chung-Yao	0	0	0	0
Director	Huei Hong Investment Co., Ltd.	0	0	0	0
	Representative: Yin, Chung-En	0	0	0	0
Independent Director	Chen, Ming-Chin	0	0	0	0
Independent Director	Chang, Ta-Peng	0	0	0	0
Independent Director	Huang, Shi-Jian	0	0	0	0
President	Chen, Hsueh-Hsien	0	0	0	0
Executive Vice President of Building Materials	Lin, Yi-Chieh (got promoted on February 6, 2023)	0	0	0	0
Vice President	Cheng, Jui-Pin	0 (30,000)	0	0	0
Vice President	Lee, Yi-Che	0	0	0	0

Title	Name	2023		2024 As of March 26	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
Cement Sales Supervisor Vice President	Huang, Chin-Hua	0	0	0	0
Vice President	Yang, Ching-Ting	(took office on February 19, 2024)		0	0
Associate director of accounting Chief Governance Officer Assistant Vice President	Wu, Po-Chung (Chief Governance Officer, was succeeded on May 10, 2023.)	0	0	0	0
Assistant Vice President	Lee, Jih-Tsao	0	0	0	0
Assistant Vice President	Chen, Chao-Yueh	0	0	0	0
Assistant Vice President	Wang, Wen-Pin	0	0	0	0
Assistant Vice President	Chiang, Shih-Che	0	0	0	0
Assistant Vice President	Chen, Shun-Lung (resigned on June 1, 2023)	0	0	(resigned on June 1, 2023)	
Assistant Vice President	Wang, Nien-Fu	0	0	0	0
Assistant Vice President	Chen, Chin-Chuan	0	0	0	0

Title	Name	2023		2024 As of March 26	
		Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged	Increase/Decrease in Shares Held	Increase/Decrease in Shares Pledged
Assistant Vice President	Chien, Shih-Yu (took office on June 6, 2023)	0	0	0	0
Assistant Vice President	Kuo, Li-Ping (resigned on November 1, 2023)	0	0	(resigned on November 1, 2023)	
Assistant Vice President	Wang, Chien-Sen (took office on April 1, 2023) (resigned on January 6, 2024)	0	0	(resigned on January 6, 2024)	
Chief auditor	Lee, Chia-Ling	0	0	0	0
Head of Finance	Chen, Yen-Chi	0	0	0	0
Major Shareholder	Ruentex Engineering & Construction Co., Ltd.	0	0	0	0
Major Shareholder	Ruentex Development Co., Ltd.	0	0	0	0

Note 1: Shareholders with more than 10% shareholding of the Company should be indicated as major shareholders and listed separately.

Note 2: If the counterparty of equity transfer or equity pledge is a related party, please fill out the following forms.

(1) Transfer of Shares: None.

(2) Pledge of Shares: None.

IX. Information on Top 10 Shareholders in Proportion of Shareholdings and who are Stakeholders, Spouses, or Related to One Another or Kin at the Second Pillar under the Civil Code to One Another

Name (Note 1)	Shareholding of the Principal		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin. (Note 3)	
	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Title (or name)	Relationship
Ruentex Engineering & Construction Co., Ltd.	58,726,917	39.15%	0	0.00%	0	0%	Ruentex Development Co., Ltd.	The ultimate parent of Ruentex Engineering & Construction Co., Ltd.
								Corporate Chairman and Director of Ruentex Engineering & Construction Co., Ltd.
							Huei Hong Investment Co., Ltd.	Corporate Director of Ruentex Engineering & Construction Co., Ltd.
							Chang, Kun-Long	Corporate director representative of Ruentex Engineering & Construction Co., Ltd.
Representative: Lee, Chih-Hung	700,000	0.47%	0	0.00%	0	0%	Ruentex Development Co., Ltd.	Lee, Chih-Hung is the corporate director representative and President of Ruentex Development Co., Ltd.
							Changchun Investment Co., Ltd.	Lee, Chih-Hung is the corporate supervisor representative of Chang Quan Investment Co., Ltd.
							Ruentex Industries Ltd.	Lee, Chih-Hung is the corporate director representative of Ruentex Industries Ltd.
Ruentex Development Co., Ltd.	15,740,381	10.49%	0	0.00%	0	0%	Ruentex Engineering & Construction Co., Ltd.	The ultimate parent of Ruentex Engineering & Construction Co., Ltd is Ruentex Development Co., Ltd.

Name (Note 1)	Shareholding of the Principal		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin. (Note 3)	
	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Title (or name)	Relationship
							Ltd.	Ruentex Development Co., Ltd. is the corporate Chairman and director of Ruentex Engineering & Construction Co., Ltd.
							Hsu, Sheng-Yu	Corporate director representative of Ruentex Development Co., Ltd. Corporate Chairman representative of Ruentex Industries Ltd.
							Ruentex Industries Ltd.	Corporate director of Ruentex Development Co., Ltd.
							Lee, Chih-Hung	Corporate director representative and President of Ruentex Development Co., Ltd.
Representative: Jean, Tsang-Jiunn	616,000	0.41%	506,000	0.34%	0	0%	Huei Hong Investment Co., Ltd.	Jean, Tsang-Jiunn is the corporate director representative of Huei Hong Investment Co., Ltd.
Fu, Cheng-Ping	9,200,000	6.13%	0	0.00%	0	0%	Nil	Nil
Ruentex Industries Ltd.	7,139,530	4.76%	0	0.00%	0	0%	Ruentex Development Co., Ltd.	Ruentex Industries Ltd. is the corporate director of Ruentex Development Co., Ltd.
							Huei Hong Investment Co., Ltd.	Chairman and Director of Ruentex Industries Ltd.
							Lee, Chih-Hung	Corporate director representative of Ruentex Industries Ltd.
Representative: Hsu, Sheng-Yu	0	0.00%	0	0.00%	0	0%	Ruentex Development Co., Ltd.	Hsu, Sheng-Yu is the corporate director representative of Ruentex Development Co., Ltd.

Name (Note 1)	Shareholding of the Principal		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin. (Note 3)	
	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Title (or name)	Relationship
Yi Tai Investment Co., Ltd.	7,110,130	4.74%	0	0.00%	0	0%	Huei Hong Investment Co., Ltd.	Yi Tai Investment Co., Ltd. is the corporate supervisor of Huei Hong Investment Co., Ltd.
Representative: Chang, Kun-Long	0	0.00%	0	0.00%	0	0%	Huei Hong Investment Co., Ltd.	Chang, Kun-Long is the corporate director representative of Huei Hong Investment Co., Ltd.
							Corporate director representative of Ruentex Engineering & Construction Co., Ltd.	Chang, Kun-Long is the corporate director representative of Ruentex Engineering & Construction Co., Ltd.
Changchun Investment Co., Ltd.	5,833,869	3.89%	0	0.00%	0	0%	Lee, Chih-Hung	Corporate supervisor representative of Chang Quan Investment Co., Ltd.
Representative: Samuel Yen-Liang Yin	2,214,039	1.48%	143,000	0.10%	0	0%	Huei Hong Investment Co., Ltd.	Samuel Yen-Liang Yin is the corporate Chairman representative of Huei Hong Investment Co., Ltd.
Huei Hong Investment Co., Ltd.	4,214,222	2.81%	0	0.00%	0	0%	Yi Tai Investment Co., Ltd.	Corporate supervisor of Huei Hong Investment Co., Ltd. Supervisors
							Ruentex Industries Ltd.	Huei Hong Investment Co., Ltd. is the corporate Chairman and Director of Ruentex Industries Ltd.
							Ruentex Engineering & Construction Co., Ltd.	Huei Hong Investment Co., Ltd. is the corporate Director of Ruentex Engineering & Construction Co., Ltd.

Name (Note 1)	Shareholding of the Principal		Shareholdings of Spouse/Minor Children		Shares Held in the Name of Others		Titles or Names of the Top-ten Shareholders Who Have a Relationship With Each Other or a Spouse, or a Kinship of Second Cousin. (Note 3)	
	Shares	% of Shares Held	Shares	% of Shares Held	Shares	% of Shares Held	Title (or name)	Relationship
							Jean, Tsang-Jiunn	Corporate director representative of Huei Hong Investment Co., Ltd.
							Chang, Kun-Long	Corporate director representative of Huei Hong Investment Co., Ltd.
Representative: Samuel Yen-Liang Yin	2,214,039	1.48%	143,000	0.10%	0	0%	Changchun Investment Co., Ltd.	Samuel Yen-Liang Yin is the corporate Chairman representative of Chang Quan Investment Co., Ltd.
Samuel Yen-Liang Yin	2,214,039	1.48%	143,000	0.10%	0	0%	Changchun Investment Co., Ltd.	Samuel Yen-Liang Yin is the corporate Chairman representative of Chang Quan Investment Co., Ltd.
							Huei Hong Investment Co., Ltd.	Samuel Yen-Liang Yin is the corporate Chairman representative of Huei Hong Investment Co., Ltd.
Shen, Chien-Yu	1,608,000	1.06%	163,000	0.11%	0	0%	Nil	Nil
Chen, Tsung-Ting	1,272,000	0.85%	86,000	0.06%	0	0%	Chen, Tsung-Wei	Younger brother of Chen, Tsung-Ting
Chen, Tsung-Wei	1,272,000	0.85%	0	0.00%	0	0%	Chen, Tsung-Ting	Elder brother of Chen, Tsung-Ting

Note 1: List all the top-ten shareholders; also, the title of the corporate shareholders and the name of their representatives should be listed separately.

Note 2: The calculation of the shareholding ratio refers to the shareholding ratio in the name of the principal, the spouse, the minor children, or the shareholding held in the name of others.

Note 3: Relationships among the abovementioned shareholders (including corporate and natural-person shareholders) have been disclosed in accordance with the relationships defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- X. The total shareholding of the Company, the Company's directors, supervisors, managers, and the invested company directly or indirectly controlled by the Company, and the comprehensive shareholding ratio calculated:

Comprehensive Ownership

March 31, 2024; Unit: thousand shares;%

Invested Companies	Investment of the Company		Comprehensive Investment of the Directors, Supervisors, Managers, and the Invested Companies Directly or Indirectly Controlled by the Company		Comprehensive Investment	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
Ruentex Interior Design Inc.	4,750	35.19	3,381	25.04	8,131	60.23

## Four. Fundraising

I. Capital and Shares  
(I) Source of Capital

March 31, 2024; Unit: shares; NTD

Year/Month	Issuance Price (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares (share)	Amount (NTD)	Shares (share)	Amount (NTD)	Source of Capital	Paid-in Capital Paid with Considerations Other Than Cash	Others
September 1992	10	2,500,000	25,000,000	2,500,000	25,000,000	Founding of the Company 25,000,000	-	Reference: Correspondence No. Jing-(81)-Shang-678057 dated September 23, 1992.
December 1992	10	19,800,000	198,000,000	19,800,000	198,000,000	Cash Capitalization 173,000,000	-	Reference: Correspondence No. Jing-(81)-Shang-126848 dated December 28, 1992.
October 2001	10	22,400,000	224,000,000	22,400,000	224,000,000	Cash Capitalization 26,000,000	-	Reference: Correspondence No. Jing-(090)-Shang-09001408540 dated October 22, 2001.
April 2009	10	100,000,000	1,000,000,000	85,958,873	859,588,730	Cash Issue/Loss Reimbursement 700,000,000 (64,411,270)	-	Jing-Shou-Shang-Zi No. 09801068730 dated April 8, 2009
March 2010	10	100,000,000	1,000,000,000	73,435,815	734,358,150	Cash Issue/Loss Reimbursement 10,000,000 (135,230,580)	-	Jing-Shou-Shang-Zi No. 09901039400 dated March 23, 2010

May 2014	10	100,000,000	1,000,000,000	91,435,815	914,358,150	Share Conversion Through Merger 180,000,000	-	Jing-Shou-Shang-Zi No. 10301085350 dated May 14, 2014
June 2014	10	150,000,000	1,500,000,000	134,115,815	1,341,158,150	Cash Capitalization 426,800,000	-	Jing-Shou-Shang-Zi No. 10301100140 dated June 6, 2014
July 2015	10	150,000,000	1,500,000,000	150,000,000	1,500,000,000	Cash Capitalization 158,841,850	-	Jing-Shou-Shang-Zi No. 10401168840 dated August 13, 2015

Note 1: Current year information as of the publication date of the Annual Report should be included.

Note 2: The increase and decrease of capital should be stated with the effective (approved) date and document number included.

Note 3: The stock issued at a value below the face value should be indicated conspicuously.

Note 4: The capital paid with currency credits and technology should be stated with the type and amount of said considerations detailed.

Note 5: The private placement of stock should be indicated conspicuously.

March 31, 2024 Unit: shares

Type of Shares	Authorized Capital					Remark
	Outstanding Shares			Unissued Shares	Total	
	Listed	Unlisted	Total			
Registered Common Stock	150,000,000	--	150,000,000	--	150,000,000	

## (II) Shareholder Structure

March 26, 2024 Unit: persons; shares; %

Shareholder Structure	Government Agency	Financial Institutions	Other Juridical Person	Individual	Foreign Institution and Foreigners	Total
Quantity						
Number of People	-	-	24	3,651	13	3,688
Number of shares held	-	-	100,610,198	48,920,942	468,860	150,000,000
Shareholding Percentage (%)	-	-	67.07	32.62	0.31	100

Note: The first listed (OTC) company and emerging company should disclose the percentage of the shares held by Chinese investors. Chinese investors refer to the people, legal persons, groups, and other institutions in China as stipulated in Article 3 of the "Regulations Governing Permission for People from the Mainland Area to Invest in Taiwan" or the invested companies of theirs in a third region.

## (III) Equity Distribution (face value of NT\$10 per share)

March 26, 2024 Unit: persons; shares; %

Shareholding Bracket	Number of Shareholders	Number of shares held	Shareholding Ratio (%)
1 to 999	470	39,967	0.03
1,000 to 5,000	2,430	4,773,453	3.18
5,001 to 10,000	315	2,554,960	1.70
10,001 to 15,000	125	1,661,026	1.11
15,001 to 20,000	90	1,682,238	1.12
20,001 to 30,000	73	1,909,187	1.27
30,001 to 40,000	34	1,257,000	0.84
40,001 to 50,000	31	1,453,041	0.97
50,001 to 100,000	64	4,888,100	3.26
100,001 to 200,000	22	3,232,901	2.16
200,001 to 400,000	11	2,723,000	1.82
400,001 to 600,000	3	1,365,000	0.91
600,001 to 800,000	3	1,924,000	1.28
800,001 to 1,000,000	2	1,672,000	1.11
1,000,001 to 9,999,999,999	15	118,864,127	79.24
Total	3,688	150,000,000	100.00

## (IV) List of major shareholders: List all shareholders with a stake of 5 percent or more, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list:

March 26, 2024 Unit: shares; %

Name of Major Shareholders	Shares	Number of shares held	Shareholding percentage
Ruentex Engineering & Construction Co., Ltd.		58,726,917	39.15
Ruentex Development Co., Ltd.		15,740,381	10.49
Fu, Cheng-Ping		9,200,000	6.13

Ruentex Industries Ltd.	7,139,530	4.76
Yi Tai Investment Co., Ltd.	7,110,130	4.74
Chang Quan Investment Co., Ltd.	5,833,869	3.89
Huei Hong Investment Co., Ltd.	4,214,222	2.81
Samuel Yen-Liang Yin	2,214,039	1.48
Shen, Chien-Yu	1,588,000	1.06
Chen, Tsung-Ting	1,272,000	0.85
Chen, Tsung-Wei	1,272,000	0.85

(V) Price per Share, Net Worth, Earnings, and Dividends, Relevant Information for the Last Two Years

Unit: NT\$ thousands; Thousands of Shares; %

Item		Year	2022	2023	The current year as of March 31, 2024 (Note 8)
Market Price per Share (Note 1)	Maximum		32.75	29.00	27.00
	Minimum		18.10	22.40	23.70
	Average		23.74	24.56	25.17
Net Worth per Share (Note 2)	Before Distribution		14.71	15.21	—
	After Distribution		14.48	Note 9	—
Earnings per share	Weighted Average Shares		150,000	150,000	—
	Earnings per Share (Note 3)		0.25	0.77	—
Dividends per Share	Cash Dividends		0.23	0.65(Note 9)	—
	Stock Dividends	-	—	—	—
		-	—	—	—
	Cumulative Unpaid Dividends (Note 4)		—	—	—
Return on Investment Analysis	Price-to-Earnings Ratio (P/E Ratio) (Note 5)		94.96	31.90	—
	Ratio of Dividends (Note 6)		103.22	37.78	—
	Cash Dividend Yield Rate (Note 7)		0.97%	2.65%	—

\* Where the Company converts its earnings or capital reserve into capital increase, the Company shall disclose information of the market prices and cash dividend adjusted retrospectively based on the number of issued shares.

Note 1: The table shows the highest and lowest market price of common shares in each year; average market price is calculated by weighing transacted prices against transacted volumes in the respective years.

Note 2: Calculated based on the number of outstanding shares at year-end; amount of distribution resolved in the next year's shareholders meeting is presented in the table.

Note 3: Where stock dividends were issued, EPS are disclosed in amounts before and after retrospective adjustments.

Note 4: If equity securities are issued with terms that allow dividends to be accrued and accumulated until the year the Company makes a profit, the amount of cumulative undistributed dividends up until the current year is disclosed separately.

Note 5: P/E ratio = Average closing price per share/Earnings per share for the year.

Note 6: Ratio of dividend = Average closing price per share/Cash dividends per share for the year.

Note 7: Cash dividend yield rate = Cash dividends per share/Average closing price per share for the year.

Note 8: The net value per share and the earnings per share should be included in the latest seasonal financial report as of the Annual Report printing date, which is audited (reviewed) by the accountant; the remaining columns should be filled in with the data of the current year as of the Annual Report printing date.

Note 9: The proposal for 2023 earnings distribution was approved by the Board of Directors on March 13, 2024, that the cash distribution per share was NT\$0.65, but it has not yet been approved by the shareholders' meeting.

(VI) The Company's Dividend Policy and Implementation

1. Dividend policy of the company is as follows:

The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's finances, business, operation, capital budget, and so on factors in maintaining the shareholders' interests, balancing dividends, and the Company's long-term financial plan. Each year, the Board of Directors proposes the appropriation of earnings according to laws and submits the proposal to the shareholders' meeting for approval. However, regarding the distribution of shareholder dividends, within the distributable earnings for the fiscal year, a minimum of 50% of the balance after deducting the statutory reserve and various special surplus reserves required by law from the net profit after tax for the fiscal year shall be distributed as dividends. The cash dividend ratio shall not be less than 30% of the total dividend distribution for the fiscal year.

Note: The dividend policy of the company has been approved by the board of directors on January 30, 2024, and proposed for the shareholder's annual general meeting on May 24, 2024. It will be implemented upon approval at the shareholder's annual general meeting.

2. Dividends Proposed for the Current Year:

(1) The Company had an after-tax profit of NT\$114,983,440 in 2023, less 2023 actuarial loss on defined benefit of NT\$227,896 in 2023. According to the Articles of Incorporation, NT\$11,475,555 was set aside as legal reserve, and NT\$5,577,865 was set aside as special reserve. proposed to distribute cash dividend of NT\$0.65 per share, totaling NT\$97,500,000.

(2) The proposal was approved by the Board of Directors on March 13, 2024. After the resolution of the shareholders' meeting, the Chairperson is authorized to set the ex-dividend base date and payment date and related matters deal with it.

(VII) The impact of the stock dividends proposed in the current shareholders meeting on the Company's operating performance and earnings per share: N/A.

(VIII) Remuneration to Employees, Directors, and Supervisors

1. Percentage and range of employee/director/supervisor remuneration stated in the Articles of Incorporation:

(1) The Articles of Incorporation states that when the Company has a profit in a fiscal year, at least 1% of such profit shall be distributed as the employees' remuneration. If the Company has accumulated losses, an equivalent amount from the profit earned shall be reserved to make up for losses. The aforementioned employee compensation may be paid in stock or cash and shall be adopted by a majority of the directors at a meeting attended by at least two-thirds of the directors, and shall be reported at the shareholders' meeting. Employee remuneration is distributed to employees of controlling or subordinate companies who meet certain criteria.

(2) The Company's Articles of Incorporation did not stipulate the distribution of remuneration of directors.

2. The basis for the estimated amount of employee remuneration and the remuneration of directors and supervisors in the current period, the calculation basis for the number of

shares for employee remuneration distributed in stock, and the accounting treatment applied when the actual amount distributed is different from the estimated amount:

The Company's remuneration to employee for the year of 2023 was based on the current year's profit (that is, the pre-tax profit minus the profit before the distribution of remuneration to employee). After deducting the accumulated losses, if there is any surplus, it shall be set aside and estimated by at least 1% of the percentage stipulated in the Articles of Incorporation. If there is any difference between the actual distribution amount and the estimated amount, the difference will be treated as the change of accounting estimate and listed as the annual profit and loss.

3. The distribution of remuneration resolved by the Board of Directors:

- (1) Remuneration to employees, directors, and supervisors paid in cash or with stock dividends. If it is different from the estimated amount of the expense recognition year, the difference amount, cause, and treatment should be disclosed:

In accordance with Article 22 of the Company's Articles of Incorporation, the Company's 2023-year remuneration to employee was set aside, amounting to NT\$ 1,239,610, which was paid in cash. The board of directors decided that the allocation amount was the same as the estimated amount.

- (2) The percentage of remuneration to employees allocated by means of stocks to the total amount of remuneration to employees and the aggregate total of the net profit after tax and total remuneration to employees as shown in the standalone or individual financial statements of the current term: Not applicable.

4. The actual distribution of employee, director, and supervisor remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor remuneration, additionally the discrepancy, cause, and how it is treated:

- (1) Employee Remuneration: The Board of Directors passed a resolution on March 10, 2023 to pay 2022 employee remuneration at NT\$466,029 in cash. The amount resolved by the Board was identical to the amount previously estimated.

- (2) Directors' and Supervisors' Remuneration: None.

(IX) Stock shares repurchased by the Company: None

II. Corporate Bond Issuance: None

III. Preferred Stock Issuance: None

IV. Disclosure in Relation to Depository Receipts: None

V. Employee Stock Warrants Issuance: None

VI. New Restricted Employee Shares Issuance: None

VII. Disclosure on New Shares Issued for Business Combination (including merger, acquisition, and divestment) or Share Exchange: None.

VIII. Fund Implementation Plan: N/A.

## Five. Operational Overview

### I. Company Operations

#### (I) Business Content

##### 1. Business Scope

###### (1) Main Content of the Business:

The Company mainly engages in the manufacturing and sale of construction materials such as cement (including clinker) and ready-mix mortar, whereas subsidiaries are mostly involved in the design and execution of landscaping and interior renovation works.

###### (2) Revenue Weight by Main Products:

Unit: NT\$ thousands; %

Item	Amount	Ratio (%)
Cement business	2,052,721	37.31
Building materials business	1,910,856	34.74
Engineering and construction business	1,537,295	27.95

###### (3) Existing Products (Services) and Purpose:

Main Products (Services)		Purpose
Cement Products	Portland Cement Type 1	For general construction and civil engineering.
	Portland Cement Type 2	For underground structures, ports, seal walls, and mass concrete structures.
	Grouting Cement	For ground improvement and grouting works.
Construction Materials	Cement-related construction materials	For finishing work after completion of main structure, including leveling, layering, tiling, and sealing. There are more than 40 types of product, each designed for a different purpose.
	Import and export of construction materials.	Representing foreign high-quality building materials, recommending and selling them to channel customers. At present, we are the exclusive agent of NIHON FLUSH Japan for interior wooden doors, with a variety of styles and colors, and can produce customized according to customer needs.

Contract of construction	Contracted projects include office renovation, community landscaping, landscaping of malls and common areas, and renovation of restaurants and hotels.
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#### (4) New Products to be Developed

In light of global climate change and rising environmental awareness, the Company continues to optimize and introduce new cement products that offer energy and carbon reduction benefits. Furthermore, as living standards improve and urban population increases, residential properties are built taller with greater density, making residents more susceptible to noise disturbances that compromise the quality of the residential environment. The Company's soundproof flooring solutions have been favorably received among customers in this regard, which is why more resources will be committed into improving material performance for a better home living experience.

Offshore wind power makes up a significant part of the government's support for green energy. The Company's ShifuGrout U799, a specialized cement for the foundations of offshore wind turbines, has been certified by DNV Business Assurance Co., Ltd., and will be marketed to offshore wind power contractors in Taiwan and overseas in the future. And, wind power generation related products such as thermal conductive mud using HDD construction method have been actually used in offshore wind market. A new type of mortar for offshore wind turbines that works with the SILO system has also been developed, and is currently pending certification from DNV (DNV Business Assurance Co., Ltd.).

Geothermal energy is another green energy source that the government is actively promoting. Once drilled, a geothermal well will have to be filled with Class G oil well cement, which allows work to be performed in a high temperature and high pressure environment. This material is currently under development, and the Company expects to obtain certification from the American Petroleum Institute (API) in 2022, which will aid in future sales and promotion efforts.

By reusing industrial by-products and residual heat from cement kilns, the Company was able to produce lightweight glass beads that offer thermal insulation properties, thereby making them suitable as an insulation material.

## 2. Industry Overview

### (1) Current Status and Development of the Industry

#### A. Status quo of cement industry and development prospects:

Cement is the material for infrastructure in life. Government public constructions and private constructions all need a great deal of cement. It is a mature industry with steady demand. The cement industry in Taiwan is characterized as: capital intensive, domestic sales-oriented, fundamental for daily life and national defense, and an industry involving continuous production and manufacturing.

Clinker kilns that are currently in operation carry a total capacity of 20.24 million tons. According to the statistics published by the Taiwan Cement Manufacturers' Association, registered members produced 10.25 million tons of cement in total in Taiwan, and imported 3.09 million tons of cement from abroad in 2023; 12.89 million tons of cement were consumed domestically while 0.51

million tons were exported for the year. On average, every person consumed approximately 551 kg of cement each year.

#### B. Current state and prospect of ready-mix concrete materials:

Finishing works are an important step that prepares a building for renovation. Similar to foundation in facial makeup, the quality of finishing works can directly affect how a consumer perceives a building. Traditionally, workers would store sand and cement at the work site and mix them by experience, which in turn leads to inconsistency in the quality of work materials and the final finish. Ready-mix solutions aim to address this problem by premixing dry sand, cement, and special additives in precise ratios that are suitable for a particular application and requirements right from the factory. These solutions can then be packaged and delivered to the work site, and used by workers simply by adding water to the mix. Ready-mix solutions ensure the consistency of materials, which not only eliminates uncertainties of the actual work but also improves tidiness of the work site and quality of the finish.

Use of ready-mix concrete has increased progressively since it was first introduced in the 1990s. The Chinese National Standards (CNS) introduced a chapter on ready-mix concrete in November 2021, whereas the public construction guidelines also added rules on ready-mix concrete in November 2014, which help establish ready-mix concrete as the dominant solution for finishing works. As consumers become more aware of work quality, ready-mix materials are gradually replacing the conventional cement-and-sand mix, and should grow in popularity with time.

Currently, most of the finishing works performed in Taiwan still make use of the conventional cement-and-sand mix, but the use of ready-mix cement has increased progressively and may replace conventional cement in the future. The Company's RT.MIX line currently has more than a 50% share of the market for ready-mix concrete, and is recognized as the leading brand of ready-mix concrete. Shipments of RT.MIX is expected to grow as the solution becomes more widely accepted by constructors. In the meantime, the Company is actively expanding its product offerings by exploring cement applications for various industries.

#### C. Interior renovation and design:

Interior renovation and design covers a broad spectrum of scenarios from elevator lobbies, common facilities, landscaping, reception spaces, showrooms, and living spaces in a residential development to commercial spaces such as offices, headquarter buildings, office-factory complexes, hotels, malls, supermarkets, libraries, etc.

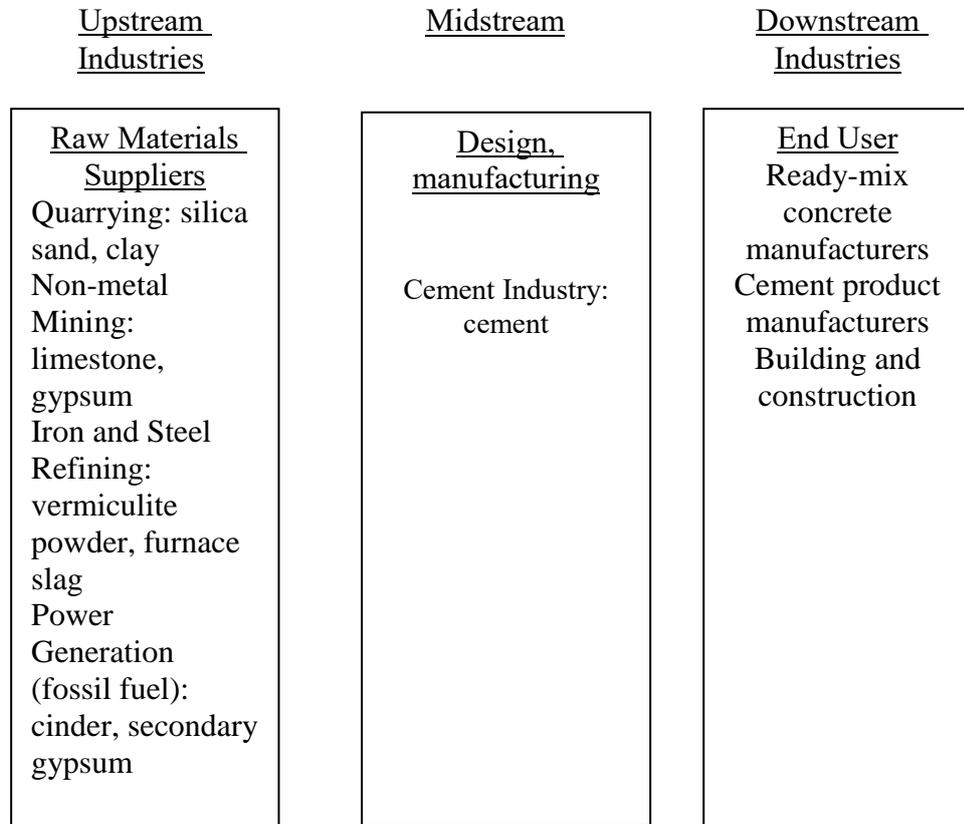
The demand in the interior decoration industry extends beyond new construction projects. Generally, the renovation cycle for commercial spaces is around 3 to 5 years, while for public buildings, it ranges from 10 to 15 years. Additional demand arises based on changes in functional usage. Therefore, the construction decoration industry exhibits characteristics of regular cycles and maintains stable growth.

### (2) Relationship Between the Upstream, Midstream, and Downstream Sectors of the Industry

#### A. Cement

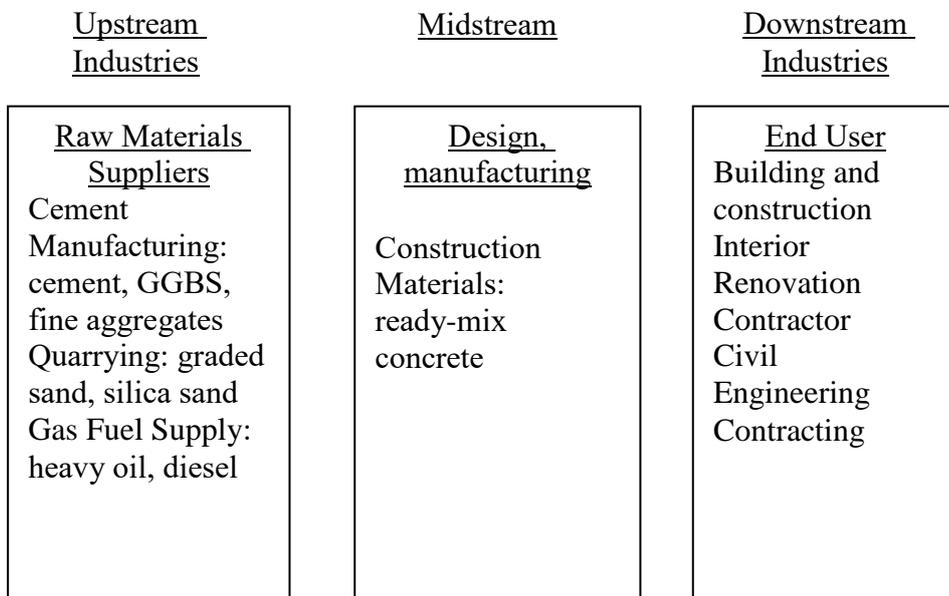
The upstream of the cement industry includes quarrying for the supply of silicon sand and clay materials, non-metal mining for the supply of natural gypsum and limestone materials, iron and steel smelting for the supply of iron cake and

hearthstone materials, coal-fired power generation for the supply of cinder and secondary gypsum materials, as well as supportive industries such as collaborative electricity supply, fuel supply, railway transport, automobile transport, and water transport. The downstream that directly requires a supply of finished cement products includes ready-mixed concrete, cement products (such as concrete pipes, cement bricks, and prefabricated elements, among others), and construction.



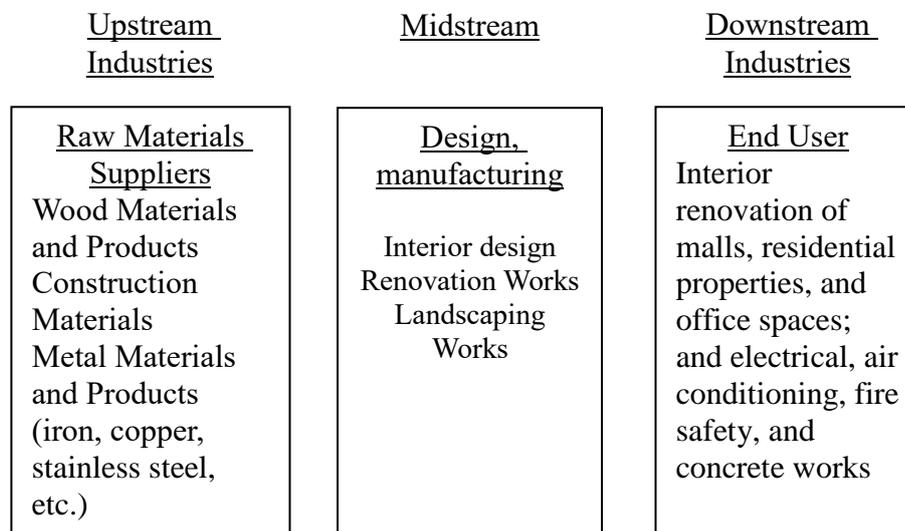
B. Ready-mix Cement Materials:

The upstream of ready-mix concrete comprises: quarry operators that supply gravel and silica sand; cement manufacturers that supply cement, GGBS, and fine aggregates; and supporting industries such as fuel supply and transportation. The downstream to which finished goods are supplied include: the construction industry, interior renovation contractors, and civil engineering contractors.



### C. Interior Renovation and Design:

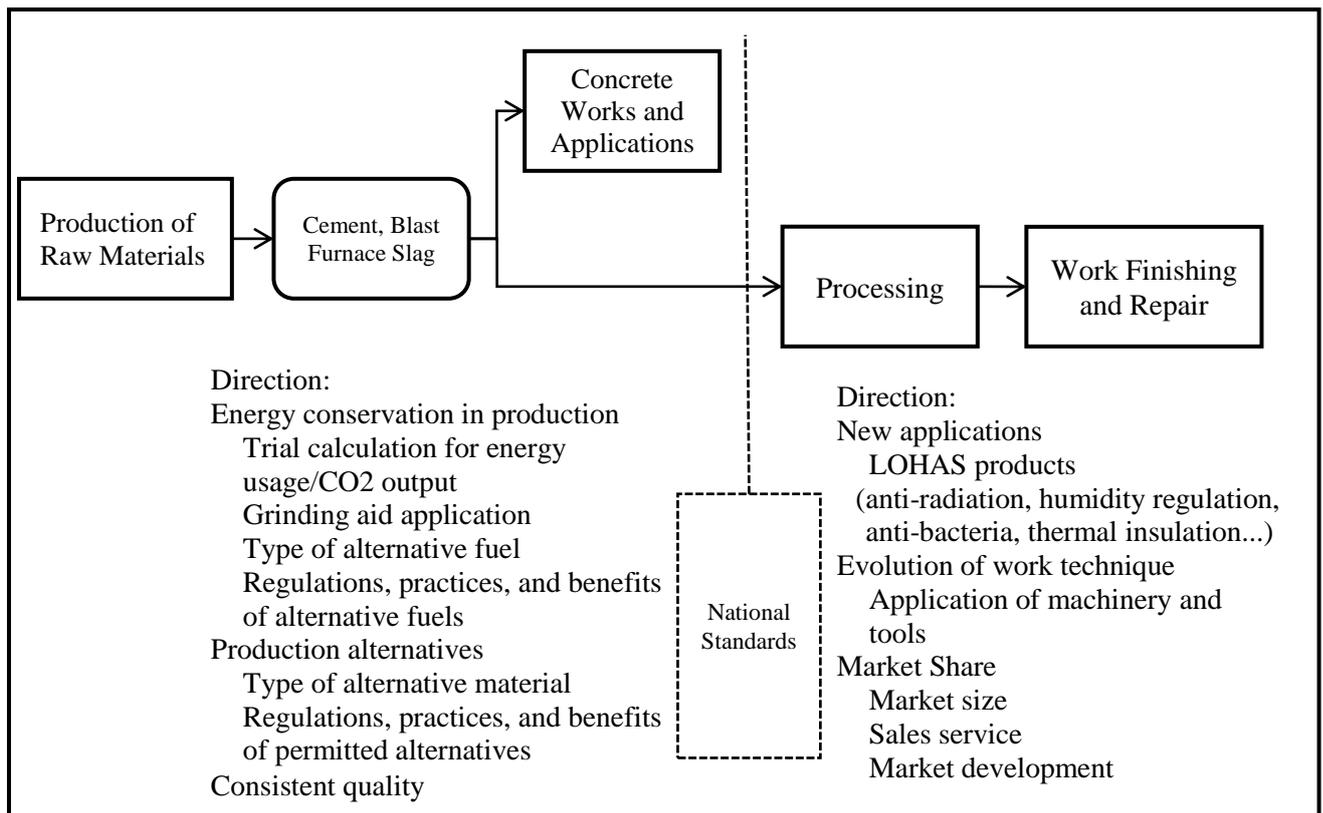
Ruentex Interior Design, a 35.19%-owned subsidiary, mainly engages in interior renovation and landscaping for new buildings and supply of premium materials for interior renovation. After more than 30 years of dedication to interior renovation, the subsidiary has earned the respect of its customers and market participants.



### (3) Product Development Trends

In addition to cement products, the Company also makes processed products containing cement. Cement is one of the products used for industrial purposes, and is provided to concrete premixing plants in compliance with performance specified in national standards. Cement products are not only steady and highly reliable in terms of quality, reduced consumption of energy during production and raw material replacement are also emerging to become the future goals. In terms of reduced consumption of energy during production, in the future, efforts will be focused on precise use of energy/CO<sub>2</sub> output trial calculation, introduction of high-performance grinding aid solutions, and introduction of alternative fuels, among others. In addition, as far as raw material replacement is concerned, the type of alternative raw materials shall be established, and laws and regulations allowing such replacement, practices, and benefits shall be confirmed. The development as a whole is aimed at integrating environmental protection and energy conservation, and processing and re-utilizing business byproducts, taking care of both the capital threshold and policy trends. Future development is explained in the chart below.

As for product development not under standard regulations, the focus in the future will be LOHAS products and development of construction techniques and machinery. Such LOHAS products include cement products that can prevent radiation, regulate humidity, are sterile, and can keep warm along with construction machinery in order to lead on the market.



Subsidiary - Ruentex Interior Design is a medium-sized interior renovation service company with a comprehensive organization. It mainly undertakes large projects that require a high degree of integration, such as: elevator lobbies, common facilities, and landscaping in residential developments; malls, offices, and laboratories where seamless integration is of utmost importance; and overall planning of electrical, air conditioning, and fire safety systems. Interior renovation services will undergo the following changes in order to better satisfy customers' needs and grow market presence:

- Technological Applications:** In addition to 2D drawings and material samples, service providers now have the option to use 3D SketchUp for size and functional reviews, and use 3D Max software for simulations, thereby allowing more diversity and better efficiency in product design.
- Customer Relations:** Thoughtful and high-quality service combined with real-time interactions and bilateral communication are critical for expanding the customer base and market.
- Production Integration:** Having the ability to incorporate foreign technologies and develop customized construction materials allows a business to work within the owner's requirements while addressing architectural, structural, and practical concerns, thereby making interior design not just an isolated profession, but an integrated service that brings artistry and quality into architecture.

#### (4) Market Competition

##### A. Status quo of cement industry and development prospects:

Cement manufacturers will gradually transition into the circular economy and environmental protection. The rotary kiln used in the production of cement operates at 1500°C, a temperature that can be used to treat industrial waste. The Company is actively exploring the possibility of using the heat from rotary kilns to treat slag from blast furnaces, and turn it into alternative materials for cement production. Doing so will help reduce production cost and increase profitability.

##### B. Ready-mix Cement Materials:

The Company sells ready-mix concrete materials under the brand “RT.MIX”; it is currently the largest manufacturer of dry mortar mix in Taiwan, and has the highest degree of vertical integration among local manufacturers. In August 2013, the Company constructed a fully automated dry mortar mix factory in Dongshan, Yilan, that produces goods with high precision and full automation from materials mixing to the final packaging. The Dongshan Plant is indicative of the Company’s ability to incorporate the latest cement technologies and integrate the supply of raw materials to produce at the optimal quality, consistency, and capacity, which in turn reduces production cost by a significant degree and improves market competitiveness. In 2021, a new RT.MIX plant was constructed in Ligang, Pingtung, to better serve and reach customers in Central and Southern Taiwan.

The Company devotes significant resources into innovative research and development, and takes the initiative to explore customers’ needs and develop new products that meet their needs. The Company hires researchers from various fields of expertise who have committed themselves to developing high-performance products as well as LOHAS solutions that offer safety, convenience, comfort, health, and energy-saving benefits from customers’ perspectives. This R&D capacity is what distinguishes the Company from the rest of the competition.

##### C. Interior renovation and design:

Price wars remain prevalent in interior renovation, as most public construction projects and customers still base their decisions mostly on price. Extensive price competition generally leads to poor work quality and low satisfaction.

In the future, businesses will have to work with construction partners that offer higher levels of professionalism given the increasing complexity of compliance requirements. Furthermore, the rise of the new retail model will force businesses to diversify in terms of business activities and convert traditional shops into concept stores and experience centers, thereby creating demand for renovation services. These requirements will inevitably put service providers’ compliance knowledge and professional capabilities to the test, raise the entry barrier for newcomers, and alter the competitive landscape of the industry.

Ruentex Interior Design provides customers with products that not only are visually pleasing, but offer safety and practical features as well. The subsidiary prides itself for supplying interior renovation products of the highest value that are designed with structural mechanics and electromechanics in mind. With the support of a complete customer service system, the subsidiary is able to deliver hassle-free after-sales service that keeps customers coming back for more.

### 3. Overview of Technology and Research & Development

#### (1) Technical Complexity and R&D

The Company and subsidiaries offer products with vastly different applications and fundamentals. Some of the important technologies and level of complexity are explained in the chart below.

Field of Technology	Required Level of Complexity
Product Reliability	<ol style="list-style-type: none"> <li>1. Introduce DTA that is commonly used in high polymer materials to replace manual labor.</li> <li>2. Real-time measurement for dehydration of gypsum in cement.</li> <li>3. Use of a polarizing microscope as a production control tool.</li> <li>4. MTBF analysis technology.</li> </ol>
Conversion of By-products Into Production Materials	<ol style="list-style-type: none"> <li>1. Cement kilns operate at 1500°C, and can disintegrate various forms of waste and smelts heavy metal into cement.</li> <li>2. Cement kilns have a high capacity that allows for the treatment of more waste.</li> </ol>
Conversion of By-products Into Production Fuel	<ol style="list-style-type: none"> <li>1. Pre-processing technology.</li> <li>2. Materials baseline survey, transportation technology, and storage technology.</li> </ol>
Development of Thermal Insulation Materials	<ol style="list-style-type: none"> <li>1. Reuse of industrial by-products.</li> <li>2. Materials input and foaming technology.</li> <li>3. Production equipment and manufacturing technology.</li> </ol>
Development of LOHAS Products	<ol style="list-style-type: none"> <li>1. Monitoring of market trends.</li> <li>2. Cement chemical technology.</li> <li>3. Functional materials.</li> </ol>
Development of Wind Power Materials	<ol style="list-style-type: none"> <li>1. Mortar for foundations of offshore turbines.</li> <li>2. Thermal grout for HDD subsea cables.</li> <li>3. Mortar for onshore wind turbines.</li> </ol>
Development of Work Machinery/Tools	<ol style="list-style-type: none"> <li>1. Control requirements in shift work.</li> <li>2. Construction management technology.</li> </ol>

(2) Academic/Career Backgrounds of R&D Personnel

Unit: persons; years; %

Year		2022		2023		2024 up until March 31	
		Number of People	%	Number of People	%	Number of People	%
Academic Background	Doctorate	6	27.27%	7	25.93%	9	31.03%
	Master's	5	22.73%	8	29.63%	8	27.59%
	Bachelor Degree (including college)	8	36.36%	10	37.03%	10	34.48%
	Below senior high school	3	13.64%	2	7.41%	2	6.90%
	Total	22	100.00%	27	100.00%	29	100.00%
Average Years of Service (years)		5.89		5.55		5.48	

(3) Costs Devoted to Research and Development in the Most Recent Year Up to the Date the Annual Report Was Published:

Unit: NT\$ thousands; %

Item/Year	2023	March 31, 2024
R&D Expenses	54,234	13,009
Net amount of operating revenue	5,500,872	1,518,948
R&D Expenses as a Percentage of Net Operating Revenue (%)	0.99%	0.86%

Note: Self-assessed financial data of the previous quarter by the date of annual report publication.

(4) Technologies or Products Successfully Developed in the Last 5 Years

A. Cement

Year	R&D Outcomes	Main Benefits
2019	Development of lightweight glass beads through energy and resource integration - establishment of small mass production laboratory	<ol style="list-style-type: none"> <li>1. Allowed small mass production lines to be developed for simplified production procedures; completed pile run.</li> <li>2. Developed production parameters for various equipment.</li> </ol>

Year	R&D Outcomes	Main Benefits
	Waste glass containers as alternative silica in cement	<ol style="list-style-type: none"> <li>1. Completed the feasibility assessment on using waste glass containers as an alternative source of silica.</li> <li>2. Developed the appropriate substitution rate and quality improvement technology for using waste glass containers as alternative silica in cement.</li> <li>3. Completed trial run at the factory.</li> </ol>
	PE pesticide bottles as an auxiliary fuel for cement kilns	<ol style="list-style-type: none"> <li>1. Completed a feasibility assessment on using PE pesticide bottles as an auxiliary fuel.</li> <li>2. Developed pre-processing and feeding technology for PE pesticide bottles.</li> <li>3. Completed impact assessment of end gas from the trial burn and combustion of PE pesticide bottles.</li> </ol>
2020	Development of foam glass materials through energy and resource integration - factory planning	Planned production lines totaling a 9000 tons annual capacity.
	Development of foam glass materials through energy and resource integration - suspension granulation technology for micro glass beads	<ol style="list-style-type: none"> <li>1. Developed micrometer suspension granulation technology.</li> <li>2. Conducted related applications and tests.</li> </ol>
	Introduction, application, and development of solid fuel	<ol style="list-style-type: none"> <li>1. Developed gas-cracking methodology and technology for solid fuel.</li> <li>2. Developed cement production process involving use of solid fuel.</li> </ol>
2021	Development of suspension granulation technology for micrometer beads	<ol style="list-style-type: none"> <li>1. Developed micrometer suspension granulation technology.</li> <li>2. Conducted related applications and tests.</li> </ol>
	Introduction, application, and development of solid fuel	<ol style="list-style-type: none"> <li>1. Developed cement production process involving use of solid fuel.</li> <li>2. Benefits analysis.</li> </ol>
2022	Glass bead plate preparation and fire protection market application development	<ol style="list-style-type: none"> <li>1. Preparation of glass bead plate and market application development of fire prevention.</li> <li>2. We develop glass bead plate with light weight, basic anti-bay strength, and fire performance specifications for application in fire door core material.</li> </ol>

Year	R&D Outcomes	Main Benefits
	Development of silent floor with glass bead	The low-frequency noise generated by impact is prepared by using porous glass beads combined with damping materials.
2023	Construction of lightweight microspheres production line	<ol style="list-style-type: none"> <li>1. Complete the construction of the production line with the annual output of 9,000 tons, proceed.</li> <li>2. Trial mass production of lightweight microbeads.</li> </ol>
	Development of lightweight micro-bead soundproof panels	<ol style="list-style-type: none"> <li>1. The combination of micro-bead hole material and damping material has the characteristics of absorbing low-frequency noise generated by impact. The actual sound insulation effect reaches 21-25dB.</li> <li>2. The hole-structured glass bead material combined with the metallic decorative materials on the metal surface has the performance of blocking and absorbing general sound wave noise, and has the effect of heat insulation. It can be used in general soundproof curtains and light steel frame heat insulation and sound-absorbing panels.</li> </ol>
	Cement kiln and gasifier construction plan	<ol style="list-style-type: none"> <li>1. The gasifier equipment designed for alternative fuels with an annual processing capacity of 14,000 metric tons.</li> <li>2. Establish the relevant quality inspection operations for alternative fuels</li> <li>3. Establish the relationship between the basic fuel properties and related control parameters.</li> </ol>
	Development of low-carbon cement	15% limestone is added to the post-development stage, the compressive strength complies with CNS specifications > 5000psi

B. Cement-related construction materials

Year	R&D Outcomes	Main Benefits
2019	Mortar for foundations of offshore turbines	ShifuGrout U799 acquired certification from DNV (DNV Business Assurance Co., Ltd.).
	Thermal grout	Used as heat-conducting mortar for the transition between subsea cables and land cables in offshore wind power applications.
	High-performance floor filler	Soundproofing and thermal insulation material for vehicle floors.
	Mortar for foundations of onshore wind turbines	Used for onshore wind power.
2020	Mortar for foundations of offshore turbines	ShifuGrout U769, a continuous grouting material designed for the SILO system, is being certified by DNV (DNV Business Assurance Co., Ltd.).
	Thermal grout for HDD	Used as heat-conducting mortar for the transition between subsea cables and land cables in offshore wind power applications ShifuGrout T508 series.
	Colored floor panel	Indoor seamless flooring panel.
	Ultra-strength bonding mortar	For use with the SD690 high tensile mesh connection sleeve.
2021	Mortar for foundations of offshore turbines	ShifuGrout U769, a continuous grouting material designed for the SILO system, is being certified by DNV GL.
	Mortar for geothermal wells in geothermal energy	A mortar for geothermal wells using Class G oil well cement as the main material.
	Low efflorescence tile adhesive	Reduces the efflorescence effect in external walls. The material has been tested to produce less than 0.2% of efflorescence, which is much lower than the adhesives offered by peers.
2022	SD690 ultra-strength bonding mortar	It is in line with the SA class test and first applied to the Yucheng Section construction project of the Group, with SD690 steel rebar connector to reduce the section size of beam and column and increase the residential space.

Year	R&D Outcomes	Main Benefits
	SF600/SF610 composite soundproof floor	The thickness is only 8mm-10mm, with $\Delta Lw \geq 17\text{dB}$ above, which is in line with regulations and convenient to construct. It can be used to reduce effectively the impact sound of upper floor.
	Caisson bucket mortar for foundations of offshore turbines	ShifuGrout G705 develops caisson bucket mortar for underwater pedestals resistant to seawater corrosion and penetration and sends the samples to FoundOcean to verify.
	Mortar for geothermal wells in geothermal energy	The oil well cement (G type cement) resistant to high temperature and high pressure and sulfate corrosion will be developed, and the domestic homemade G type cement will be used to supply green energy for power generation drilling and grouting in geothermal energy.
	Low efflorescence tile adhesive	The efflorescence effect in external walls was reduced thoroughly. The material has been tested to produce less than 0.2% of efflorescence, which is much lower than the adhesives offered by peers.
2023	Mortar for foundations of offshore turbines	ShifuGrout U769, a continuous grouting material designed for the SILO system, is being certified by DNV GL.
	Development of offshore wind-power absorbing and sinking mortar	Lead the development of international dry suction settling mortar and certified by international customers
	Ultra-high-strength concrete (UHPC)	Compressive strength > 15000psi, flexural strength > 18psi Dry shrinkage < 300um/m, water absorption < 0.5%, whitening generation rate < 1%
	High-performance floor filler	The sound insulation and heat insulation filler used for vehicle floors shall meet the requirements of cabin floor specifications. An order has been placed with Taiwan Rolling Stock Co., Ltd.
	Shotcrete	It can be used for mechanized spraying application, which can apply quickly, save manpower, and increase the application efficiency and area.

Year	R&D Outcomes	Main Benefits
	High viscosity latex mortar (thick/thin base)	Two-part formulation, it is made with latex and cement mortar. It has high strength and low water absorption, and its performance meets the requirements of "high viscosity latex mortar" for public construction projects.
	Adhesives and soil materials for lightweight white bricks	For the construction of lightweight white brick partition walls and the modification of the surface layer after the completion of the masonry.

C. Interior Renovation and Design: Not applicable.

### (5) Patent Applications and Portfolio

NO	Name	Time Patent Acquired (yyyy.mm)	Patent Expiry	Patent No. (publication number)	Place of Registration	Category
1	Light transmittable concrete material and production method	2008.11	2008/11/05~2025/09/28	CN100430333 B	China	Invention
2	Dry mix mortar for light partitions	2011.03	2011/03/16~2026/10/17	CN101164754 B	China	Invention
3	Production module and rapid production method for light transmittable concrete	2010.05	2010/05/19~2027/01/31	CN101234510 B	China	Invention
4	Light transmittable concrete material and production method	2008.09	2008/09/11~2025/09/18	I300771	Taiwan	Invention
5	Dry mix light weight partition wall grouting material	2010.09	2010/09/11~2026/09/19	I330171	Taiwan	Invention
6	Production module and rapid production method for light transmittable concrete	2011.07	2011/07/01~2027/02/15	I344451	Taiwan	Invention
7	LOW CALCIUM CEMENTITIOUS MATERIAL AND METHOD OF MANUFACTURING LOW CALCIUM CEMENT	2013.10	2013/10/22~2031/09/12	US8562734 B2	United States of America	Invention
8	LOW CALCIUM CEMENTITIOUS MATERIAL	2014.07	2014/07/04~2031/12/21	JP5568812B2	Japan	Invention
9	LOW CALCIUM CEMENTITIOUS MATERIAL AND METHOD OF MANUFACTURING LOW CALCIUM CEMENT	2016.06	2016/06/15~2031/12/20	Invention No. 704292B1	Switzerland	Invention
10	LOW CALCIUM CEMENTITIOUS MATERIAL AND METHOD OF MANUFACTURING LOW CALCIUM CEMENT	2017.09	2017/09/06~2031/10/12	Invention No. 2486757B	United Kingdom	Invention
11	Cementitious method for low calcium cinder under normal temperatures (low calcium cement)	2015.07	2015/07/11~2030/12/20	I491579B	Taiwan	Invention
12	METHODE DE CIMENTATION A TEMPERATURE AMBIANTE DE CENDRES VOLANTES A FAIBLE TENEUR EN CALCIUM	2020.11	2020/11/13~2031/12/20	FR2969142B1	France	Invention
13	VERFAHREN ZUM ZEMENTIEREN CALCIUMARMER FLUGASCHEN BEI RAUMTEMPERATUR	2019.08	2019/08/29~2031/12/20	DE102011089205B4	Germany	Invention
14	Lightweight aggregate	2017.10	2017/10/21~2027/01/25	M550752	Taiwan	Utility model
15	Method for preparing porous materials	2018.04	2018/04/01~2037/01/25	I619680	Taiwan	Invention
16	METHOD FOR PREPARING TETRACALCIUM PHOSPHATE	2018.04	2018/04/06~2037/04/27	Special permit 6318282	Japan	Invention
17	Method for preparing tetracalcium phosphate	2018.05	2018/05/11~2037/01/25	Invention No. 1623492	Taiwan	Invention

NO	Name	Time Patent Acquired (yyyy.mm)	Patent Expiry	Patent No. (publication number)	Place of Registration	Category
18	METHOD FOR PREPARING POROUS MATERIAL	2018.08	2018/08/03~2037/04/27	Special permit 6379252	Japan	Invention
19	Method for preparing eco-friendly Portland Cement and applications	2018.09	2018/09/01~2037/06/29	Invention No. I634095	Taiwan	Invention
20	Method for preparing eco-friendly Portland Cement and applications	2021.12	2021/12/24~2037/06/29	CN109206026 B	China	Invention
21	Non-sintered cement and concrete compound, non-sintered concrete, and method of preparation	2018.09	2018/09/11~2037/06/28	I635066	Taiwan	Invention
22	Non-sintered cement and concrete compound, non-sintered concrete, and method of preparation	2022.01	2022/01/21~2037/06/28	CN109206033 B	China	Invention
23	Non-sintered cement and concrete compound, non-sintered concrete, and method of preparation	2019.10	2019/10/25~2037/06/29	6606531	Japan	Invention
24	Non-sintered cement and concrete compound, non-sintered concrete, and method of preparation	2021.06	2021/06/30~2037/06/29	GB2587845	United Kingdom	Invention
25	Non-sintered cement and concrete compound, non-sintered concrete, and method of preparation	Patent pending	--	--	Germany	Invention
26	Non-sintered cement and concrete compound, non-sintered concrete, and method of preparation	2019.08	2019/08/23~2037/06/29	3 068 350	France	Invention
27	Non-sintered cement and concrete compound, non-sintered concrete, and method of preparation	2021.03	2021/03/15~2037/06/29	713947	Switzerland	Invention
28	Non-sintered cement and concrete compound, non-sintered concrete, and method of preparation	2020.02	2020/02/18~2038/02/08	US 10,562,816 B2	United States of America	Invention
29	Soundproofing device and method of preparation	2018.11	2018/11/11~2037/07/16	I640677	Taiwan	Invention
30	Soundproofing device and method of preparation	2020.06	2020/06/23~2037/07/16	CN 109267724 B	China	Invention
31	Production method of lightweight porous material particles	2022.11	2022/11/11~2041/07/15	Invention No. I783579	Taiwan	Invention
32	Production method of lightweight porous material particles	Patent pending	--	--	China	Invention
33	Production method of lightweight porous material particles	Patent pending	--	--	Japan	Invention
34	Production method of lightweight porous material particles	Patent pending	--	--	Korea	Invention
35	Sound insulation floor layer and sound insulation composite board containing the same	Patent pending	--	--	Taiwan	Invention
36	Sound insulation floor layer and sound insulation composite board containing the same	Patent pending	--	--	Taiwan	Invention
37	Sound insulation floor layer and sound insulation composite board containing the same	Patent pending	--	--	China	Invention

#### 4. Long-term and Short-term Business Development Plans

##### (1) Short-term Development Plan

- A. Strengthen R&D capacity as a way to expand lead over competitors.
- B. Introduce incentives that encourage employees to raise improvement suggestions with respect to management, equipment, and cost.
- C. Increase market share and use of consistent channels for more stable shipments and pricing.
- D. Strive to win major government infrastructure projects.
- E. Increase the percentage of high-margin products sold.

## (2) Long-term Development Plan

- A. Associate products with environmental protection values.
- B. Improve quality and supply cement products with consistent quality.
- C. Develop innovative, high-quality, and diverse range of cement products.
- D. Aim to become a provider of advanced construction materials and technology integration services.
- E. Validate performance and distribute high-quality building materials from abroad.
- F. Venture into the Mainland and overseas markets.
- G. Train sales representatives and improve professional capacity.

## (II) Market, Production, and Sales Overview

### 1. Market Analysis

#### (1) Locations where products are mainly sold

The main market for cement products is located in Northern Taiwan, which the Company has an exceptional transportation advantage in due to close proximity.

Yilan, Keelung, Taipei, Taoyuan, and Hsinchu make up the majority of the cement market.

Ready-mix concrete, on the other hand, is sold nationwide and to offshore islands, whereas interior renovation services are also provided nationwide.

#### (2) Market Share

##### A. Cement

According to the statistics published by the Taiwan Cement Manufacturers' Association, Taiwan consumed 12.89 million tons of cement in 2023 while the Company sold 770,000 tons of cement (including ready-mix concrete) during the year, representing a local market share of 6%.

##### B. Cement-related construction materials

Currently, most of the mortar used in construction in Taiwan is mixed on-site. There is no industry association for this type of cement use, and no objective data can be obtained to calculate the Company's market share relative to the production value of the entire industry.

In addition to operating proprietary distribution channels, the Company has also been working with wholesale and retail partners nationwide in recent years to diversify the means by which products are marketed. Significant attention has also been placed on adopting new sales models and building the brand image as a way to increase market share.

##### C. Interior Renovation and Design:

Interior renovation and design service covers a broad range of property types from general residences, luxury homes, office-factory complexes, laboratories, libraries, and malls to offices, and businesses involved in this line of profession generally specialize in a few areas. Market share calculated using one general market data is not representative of the reality, and we find it impossible to calculate the market share of Ruentex Interior Design on a comparable basis. Ruentex Interior Design has been receiving an increasing number of invitations to take part in projects, and the satisfaction and recommendations of its customers are indicative of the exceptional workmanship and quality delivered by the subsidiary.

#### (3) Future Supply and Demand and Growth of the Market

##### A. Cement

In 2024, the overall domestic market demand for cement kept balance. Although the growth of cement demand could be driven by forward-looking planning projects and the return of Taiwanese businessmen, the construction of

technology factories, solar energy, wind power and other green energy new projects, the demand for cement in the residential real estate market had gradually declined in the second half of 2023. Although the cement shipment of our company in the first quarter increased compared with the same period in 2023 overall looking the domestic cement market, it kept balance in 2024.

#### B. Cement-related construction materials

Ready-mix concrete is gradually replacing the conventional cement-and-sand mix as users become more demanding of work quality and try to minimize quality differences caused by human judgment. In November 2011, the government announced national standards for ready-mix concrete (CNS 15517 and CNS 15518) that industry participants must follow, and since then, a number of new innovations have been introduced to bring new value into the product. The Company expects demand for ready-mix concrete to grow progressively in the future.

In recent years, the real estate market has slowed, with developers gradually reducing the number of new projects. RT.MIX, a cement product used primarily during the renovation phase of new construction projects, has increased its market share year after year. As a result, despite a decrease in new project launches in recent years, it continues to benefit from work on sites that began two years ago. The annual sales volume of premixed mortar (RT.MIX) for 2024 is expected to remain around 500,000 metric tons, as it did in 2023.

#### C. Interior Renovation and Design:

In Taiwan, the profession of interior renovation and design is saturated with homogeneous businesses, but very few have the capability to provide integrated planning for medium- and large-size projects. In terms of market demand, there is still ample need to construct and renovate office spaces, and demand for large office spaces is still on the rise. Given that project owners tend to favor reputable interior design companies of a larger size, Ruentex Interior Design will strive to take business performance to the next level by emphasizing its ability to deliver premium, integrated interior design solutions.

#### (4) Competitive Niche

- A. High vertical integration of the management team with a complete system.
- B. Product diversity.
- C. A powerful R&D team with strong innovation and R&D capacity.
- D. Implementation of the six sigma and IT tools including SAP and RFID.
- E. Good reputation and National Standardization Award facilitate project undertaking.
- F. Products comply with global specifications for design customization.
- G. Forefront QC equipment and technology provide customers with excellent products of stable quality.

#### (5) Advantageous and Disadvantageous Factors for Future Developments as Well as Response Measures

- A. Advantageous factors
  - a. High entry barriers with less competitors.
  - b. Lab certification enhances quality barriers, the first cement maker in Taiwan to implement the quality record scheme.
  - c. Segmentation from competitors with the corporate brand RT.MIX that attracts customers.

- d. Rising environmental awareness gives rise to demand for green building materials.
  - e. Talents from different fields, ready for vertical integration.
  - f. R&D capacity superior to that of competitors.
  - g. Provision of special technology for construction and materials with RT.MIX.
  - h. Inclusion of CNS specifications for ready-mix mortar into Public Works Construction Specifications to facilitate promotion.
  - i. Active pursuit of life quality and thriving travel and tourism habits in nationals.
- B. Disadvantageous Factors
- a. Influence of the business cycle in the construction industry.
  - b. Influence of the fluctuation in international coal prices.
  - c. Peer competition.
  - d. Higher operating cost from rising environmental protection awareness.
  - e. Promotion of new-type construction materials.
  - f. Difficulty in recruitment or high turnover rate of design talents.

Response to the Challenge:

- a. Enhance cost control; strengthen up-, mid-, and down-stream channels; continue to cultivate the domestic market; introduce differentiated products; and secure the existing market position to achieve the total production-sales goal and thereby stabilize profit.
- b. Apart from maintaining sound cooperation with coal suppliers, we also pay close attention to market information, adopt a prudent purchase strategy, and continue to reduce production costs through process and equipment improvements to reduce the impacts of rising raw material prices.
- c. Continue to optimize and improve the cement process, strive to improve quality and enhance production efficiency; and penetrate the market of ready-mixed cement mortar to enhance product value to avoid price competition in cement products.
- d. Dry sand (sand drying is one of the production processes of ready-mixed cement materials) with waste heat from cement rotary kilns to enhance energy efficiency, in order to help reduce energy consumption and enhance production efficiency.
- e. Apart from constantly enhancing production efficiency and improving product quality to acquire competitive advantages in price, we will strengthen cooperation with existing customers, maintain the existing market with high-quality custom products, and enhance brand awareness with sound reputation to cultivate new markets.
- f. Develop a complete framework and roadmap for talent management; engrain corporate culture; pay attention to the talent recruitment strategy and performance management process. In addition, the Company will also build a roadmap to meet the needs of job skills, and provide vertical and horizontal career and learning pathways to facilitate talent development along the planning path.

2. Important Functions and Production Process of Main Products

(1) Main Function

A. Cement:

Product Category	Main Purpose and Function
Portland Cement Type 1	Generally referred to as ordinary cement, it is the most popular product offered by cement manufacturers in Taiwan and the most common type of cement supplied to

	the market. This type of cement is suitable only for general construction works and buildings because it lacks the features of other cement types. It is unsuitable for specialized projects such as dams, breakwaters, caissons, and emergency repairs.
Portland Cement Type II	Type II Portland Cement has very different chemical compounds that give rise to many restrictions compared to Type I. With a slower hydration reaction, lower hydration heat, and moderate resistance against sulfate corrosion, Type II is suitable for structures such as reservoirs, dams, mass concrete structures, ports, piers, sea construction, artificial reefs, sewage, factory drainage, and chimneys.
Hybrid Cement	Refers to a balanced mix of Portland Cement with water quenching blast furnace slag. In Portland Blast-furnace Slag Cement, the slag content should be between 25% and 65%.

#### B. Cement-related Construction Materials

Product Category	Main Purpose and Function
Bonding Material	Used to bond between concrete wall surfaces, foundation materials, and finishing materials.
Mortar	For leveling of walls and floors.
Finishing Material	Applied on leveled wall surfaces.
Patching Material	Applied on finished wall surfaces, fiber board, gypsum board, and other partitioning materials.
Adhesive	Used for attaching tiles onto the foundation material.
Tile Sealant	Seals tiles; carries hydrophilic properties and the ability to inhibit the efflorescence effect.
Non-shrink Grout	Used for top-down piles, walls, foundation mortar, steel column filling, and concrete additive.
Self-leveling Cement	For thickening of the adhesive layer and the foundation layer.
Waterproofing Materials	For bathrooms, balconies, door/window frames, and inter-floor layers.
Ground granulated blast furnace slag	Made by grinding down water quenching blast furnace slag, which mainly consists of calcium sulfate and calcium aluminate. GGBS can be used as a concrete additive.

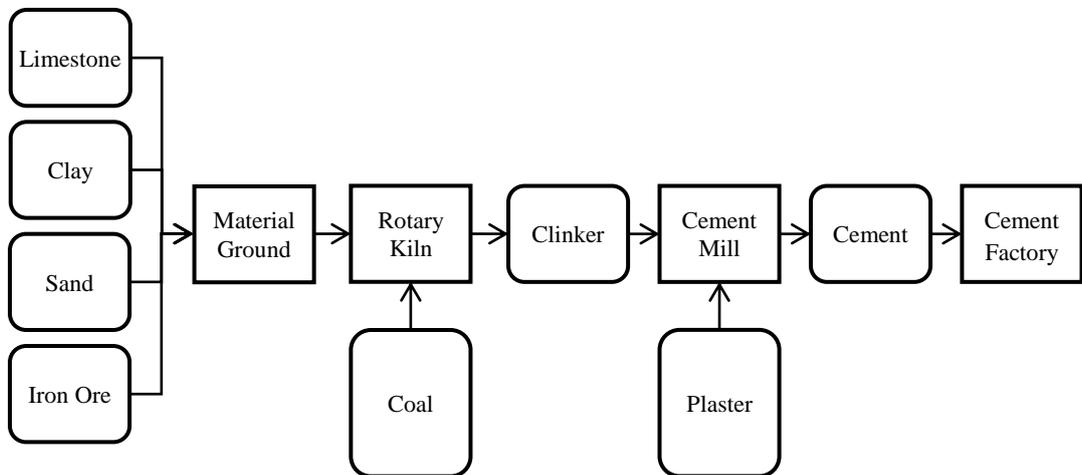
C. Interior Renovation and Design: Ruentex Interior Design undertakes medium and large sized interior renovation works that are not mass-produced, hence not applicable.

(2) Production Process: Production process is summarized below for different product categories.

##### A. Cement

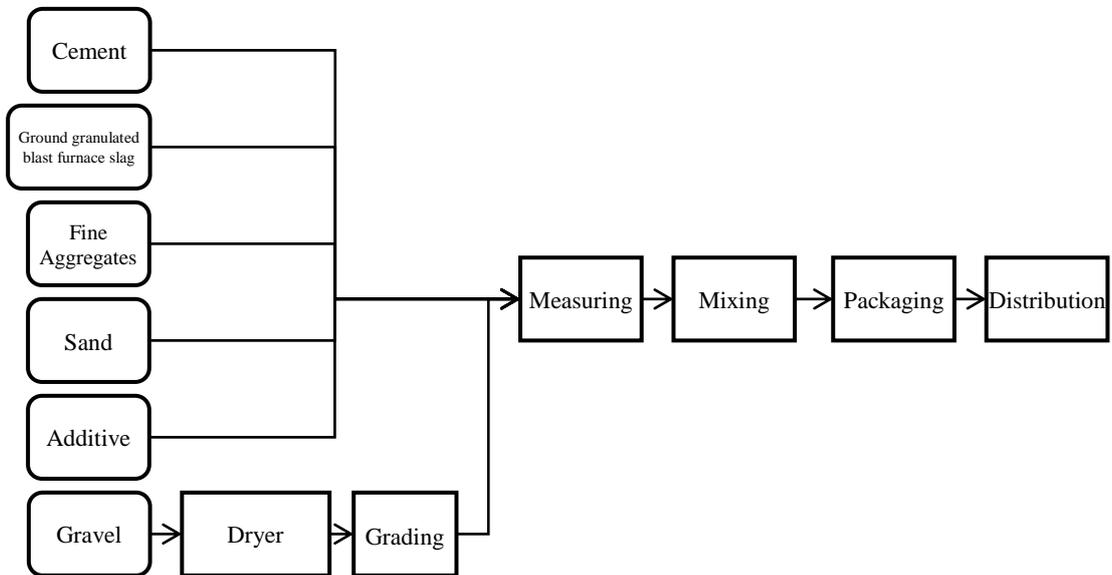
Portland Cement is mainly made from calcium silicate, which solidifies and hardens when it comes into contact with water.

The key ingredients of Portland Cement Type I are limestone, vermiculite powder, silica sand, and clay; whereas the key ingredients of Portland Cement Type II are limestone, vermiculite powder, silica sand, and slag. In terms of production process, the ingredients are first mixed at the appropriate ratio, and sintered to produce clinkers; gypsum is then added to the mix so that the mixture can be ground into Type I or Type II cement.



**B. Ready-mix Mortar:**

The key ingredients of ready-mix concrete are cement, GGBS, fine aggregates, silica sand, gravel, and additives. The ratios of the above ingredients can be varied to produce different products. Main forms of output: mortar materials, finishing materials, adhesives, sealants, and various forms of cement.



**C. Interior Renovation and Design:** Ruentex Interior Design undertakes medium and large sized interior renovation works that are not mass-produced, hence not applicable.

**3. Supply of Key Materials**

Key raw materials used by the Company and subsidiaries include limestone, strontium sand, iron slag, gypsum, vermiculite powder, and artificial stone. Raw materials are sourced from long-term reliable suppliers, so the supply of raw materials is stable, and no shortage of supply has occurred in the past.

#### 4. Main Suppliers/Buyers List

- (1) Names of suppliers representing more than 10% of total purchases in any of the previous two years, and the amount and percentage of purchases made. Describe the cause of any variation.

Raw material suppliers and outsourcers represent the Company's key suppliers; no supplier accounted for more than 10% of total purchases in the last two years.

- (2) Names of customers representing more than 10% of total sales in any of the previous two years, and the amount and percentage of sales made. Describe the cause of any variation.

Unit: NT\$ thousands; %

Item	2022				2023			
	Name	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller	Name	Amount	Percentage of Net Annual Sales Revenue (%)	Relationship With the Seller
1	Customer A	680,903	16.02	Nil	Customer A	793,661	14.43	Nil
	Others	3,568,275	83.98	—	Others	4,707,211	85.57	—
	Net Sales Revenue	4,249,175	100.00	—	Net Sales Revenue	5,500,872	100.00	—

Note 1: List suppliers who have accounted for more than 10% of the total purchase amount in the past two years and their respective sales amount and proportion, suppliers that we are not allowed to disclose as required by the contract or trading parties who are individuals rather than related parties are indicated by code.

Note 2: TWSE/TPEX listed companies are required to disclose the most recent audited or auditor-reviewed financial information available before the publication date of the Annual Report: Auditor-reviewed information on key customers for Q1 2024 was unavailable before the publication date of the Annual Report.

There was no significant change in the ranking of key buyers in the last two years.

#### 5. Production Volume and Value in the Last Two Years

Unit: tons; NT\$ thousands

Main Products	Year	2022			2023		
		Productivity	Production Volume	Production Value	Productivity	Production Volume	Production Value
Sale of Cement and GGBS		1,000,000	640,281	1,550,603	1,000,000	768,549	1,847,657
Sale of Construction Materials		600,000	433,924	1,009,063	600,000	529,082	1,304,077
Contract of construction		-	-	861,710	-	-	1,240,011
Others		-	-	-	-	-	-
Total		1,365,000	1,074,205	3,421,376	1,365,000	1,297,631	4,391,745

Note: Some of the construction materials sold were not produced in the plants, and were excluded from calculation.

6. Sales Volume and Value in the Last Two Years

Unit: tons; NT\$ thousands

Year Production	2022				2023			
	Domestic Sales		Exports		Domestic Sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Main Products								
Sale of Cement and GGBS	609,247	1,561,981	-	-	697,681	1,941,930	-	-
Sale of Construction Materials	Note	1,500,184	-	-	Note	1,910,856	-	-
Contract of construction	-	1,078,091	-	-	-	1,537,295	-	-
Others	-	108,919	-	-	-	110,791	-	-
Total	609,247	4,249,175	-	-	697,681	5,500,872	-	-

Note: Sales volume for 2022 includes 432,669 tons of construction materials produced in-plant and construction materials sold through trading.

Sales volume for 2023 includes 532,655 tons of construction materials produced in-plant and construction materials sold through trading.

(III) Employees:

Employee Information for the Company and Subsidiaries in the Last 2 Years Up Until the Publication Date of the Annual Report

Year		2022	2023	2024 up until March 31
Number of Employees	Direct	255	289	296
	Indirect	176	193	194
	Total	431	482	490
Average Age		41.57	41.35	41.17
Average Service Years		6.78	6.72	6.67
Education Distribution Ratio (%)	Doctorate	1.86%	1.66%	2.24%
	Master's	9.51%	10.58%	10.20%
	Diploma	58.00%	59.76%	57.77%
	Senior High School	21.58%	20.95%	22.65%
	Below senior high school	9.05%	7.05%	7.14%

Note: The data of the current year should be filled in as of the Annual Report printing date.

(IV) Environmental Expenditure Information

1. Description of compliance regarding pollutive facility installation permit, pollutant discharge permit, payment of pollution prevention expenses, or appointment of environmental protection personnel, where required by law:

(1) Application for Pollutive Facility Installation Permit or Pollutant Discharge Permit

Plant	Permit Category	Permit No.	Effective Date
Yilan Dong	Permit for handling of	Yilan-County-Fu-Huan-Cao-Zi No. G0944-01.	2023/02/24~2026/02/23

Plant	Permit Category	Permit No.	Effective Date
shan Plant	stationary pollution sources and fuel (cement production process M01)	Yilan-County-Fu-Huan-Ran-Zi No. G0944-01.	
	Permit for handling of stationary pollution sources (dumping ground procedures M02)	Yilan-County-Fu-Huan-Cao-Zi No. G0661-05.	2019/11/05~2024/11/04
	Permit for handling of stationary pollution sources (quarrying and transportation procedures M01)	Yilan-County-Fu-Huan-Cao-Zi No. G0662-04.	2020/01/14~2025/01/13
	Water pollution control permit	Yilan-County-Huan-Zhu-Xu-Zi No. 10330-04.	2023/08/16~2025/02/26
	Simple discharge permit for waste (sewage) water (Lankan mining area)	Yilan-County-Huan-Pai-Xu-Zi No. 10375-01.	2021/10/29~2026/10/28
	Industrial waste disposal plan	G09809160001 °	2023/07/27~2028/07/28
Ligan Plant	Industrial waste disposal plan	T11101130001 °	2022/01/13~2027/01/13

(2) Payment of Pollution Prevention Expenses

Pollution Prevention Expenses Paid in 2023:

- A. Environmental protection and air pollution control expenses: NT\$11,605,244.
- B. Soil and groundwater pollution remediation charges: NT\$125,028.
- C. Improvement of air pollution control equipment: NT\$2,069,698.

(3) Availability of Environmental Protection Personnel, if Required

Plant	Type of Environmental Protection Personnel	Name of Environmental Protection Personnel	Certificate No.
Yilan Dongshan Plant	Class A Air Pollution Controller	Lin, Hung-Wei	(106)-Huan-Shu-Xun-Zheng-FA050678
	Class A Air Pollution Controller	Chen, Li-Wei	(106)-Huan-Shu-Xun-Zi No.FA050686
	Class A Water	Kuo, Huai-Hsuan	(98)-Huan-Shu-Xun-Zi No.GA541055

Plant	Type of Environmental Protection Personnel	Name of Environmental Protection Personnel	Certificate No.
	Pollution Controller		
	Class B Air Pollution Controller	Kuo, Huai-Hsuan	(87)-Huan-Shu-Xun-Zi No.FB270759
	Class A Water Pollution Controller	Lin, Chun-Hung	(107)-Huan-Shu-Xun-Zi No.GA150338
	Class B Water Pollution Controller	Hsu, Ming-Che	(93)-Huan-Shu-Xun-Zi No.GB030088
	Health Risk Assessment Officer	Liu, Sheng-Te	(110)-Huan-Shu-Xun-Zi No.EA050775

2. Investment in Pollution Prevention Equipment, the Purpose of the Equipment, and Possible Benefits:

Name of Equipment	Quantity	Date Acquired	Cost of Investment	Remaining Book Value (December 31, 2023)	Purpose and Expected Benefits
Electrostatic Precipitator	3	2009.7.24	86,975	20,643	Collects dust within the plant premises and controls air pollution
Bag-type Pulse-Jet Dust Collector	18	2009.7.24	688	-	Collects dust within the plant premises and controls air pollution
Bag-type Shake Dust Collector	3	2009.7.24	688	-	Collects dust within the plant premises and controls air pollution
Spray Tower	2	2009.7.24	28,359	4,798	Removes gaseous pollutants
Bag-type Pulse-Jet Dust Collector	6	2013.8.31	-	-	Collects dust within the plant premises and controls air pollution
Bag-type Pulse-Jet Dust Collector	22	2022.10.31	-	-	Collects dust within the plant premises and controls air pollution

3. Efforts undertaken by the Company to rectify pollution in the last year and up until the publication date of the Annual Report; where disputes arose due to pollution, describe the progress of such dispute:

- The Company's Dongshan Plant encountered no disputes from pollution of the environment in the last year.

4. Any losses or fines incurred (including compensations and violations of environmental protection laws found in environmental audits with information regarding the date of punishment, ticket number, regulations breached, contents of breach, and contents of punishment) due to pollution in the last year and by the date of annual report publication, and disclose the estimated amount at present and in the future and countermeasures, or the method for estimating losses that cannot be estimated, if any).

(1) Losses (including damage compensation) arising as a result of pollution (including any violation against environmental protection law found during environmental inspection; explain the date of penalty, reference number, the laws violated, the violating action, and the nature of penalty):

Punishment Date	Judgment No.	Regulation	Contents of Regulation	Contents of Punishment
2023.6.9	Fu-Shou-Huan-Kong-Zi No. 1120020011	In violation of Paragraph 1, Article 20 of Air Pollution Control Act, Paragraph 1 and 2, Article 62 of the same Act.	The dry manufacturing process of our Dongshan plant's cement rotary kiln cooling machine has an exhaust duct (ID P023) equipped with continuous automatic monitoring facilities for particulate pollutants. On February 3, 2023, from 02:43 to 06:06, the daily measurement values showed that the 6-minute record values exceeded an opacity of 10% for a cumulative duration of more than 2 hours. This exceeded the air pollutant emission standards for the cement industry in Yilan County, resulting in a violation of the Air Pollution Control Act.	Violation of Paragraph 1 and Paragraph 2, Article 20 of the Air Pollution Control Act, Paragraph 1, Article 62 of the same Act, fine of NT\$100,000.

Punishment Date	Judgment No.	Regulation	Contents of Regulation	Contents of Punishment
2023.8.31	Fu-Shou-Huan-Ji-Zi No.1120031524	Violation of Paragraph 1, Article 28 of Water Pollution Control Act; Paragraph 2 of Article 51 of the same Act	The Company's Dongshan Plant was audited by the Yilan County Environmental Protection Bureau on August 8, 2023. The diesel cans inside the packaging section were damaged for some reason. As a result, the diesel inside the cans was negligently discharged into the rainwater ditch inside the plant to the off-site ditch. Pollution of the county's water pollution control zone (Dongshan River Basin).	Yilan County Government imposed a fine of NT\$63,750 on August 31, 2023 for violation of Paragraph 1, Article 28 of the Water Pollution Control Act; the same as Paragraph 2 Article 51 of the Act.
2024.1.11	Fu-Shou-Huan-Kong-Zi No. 1130001375	In violation of Paragraph 3, Article 22 of Air Pollution Control Act, Paragraph 2, Article 23 of the same Act.	The continuous automatic monitoring facilities at the Dongshan plant's cement manufacturing dry process, specifically the slag dryer's exhaust duct (ID: P024), which monitor particulate pollutants, failed to conduct zero and span drift tests on October 17, 2023, as required by Article 14, Paragraph 1 of the Management Regulations of Continuous Emission Monitoring System for Stationary Source Air Pollutants. This oversight did not comply with the mandated procedures for maintaining accurate emissions monitoring.	On January 11, 2024, Yilan County Government imposed a fine of NT\$260,000 for violation of Paragraph 3, Article 22 of the Air Pollution Control Act and Paragraph 2 of Article 23 of the same Act.
2024.1.12	Fu-Shou-Huan-Kong-Zi No. 1130000857	In violation of Paragraph 1, Article 20 of Air Pollution Control Act, Paragraph 1, Article 62 of the same Act.	The dry process for cement manufacturing of the Company's Dongshan Plant, the nitrogen oxide monitoring data for the continuous automatic monitoring facility of the cement rotary kiln preheater discharge pipeline (code: P002), shall be counted continuously for 8 hours starting from 10:00 on October 19, 2023 (including). The arithmetic mean of all valid monitoring data is 352.69ppm, which exceeds the cement industry air pollutant emission standard of 350ppm for 8 consecutive hours.	On January 12, 2024, Yilan County Government imposed a fine of NT\$130,000 for violation of Paragraph 1, Article 20 of the Air Pollution Control Act and Paragraph 1, Article 62 of the same Act.

(2) Future response strategies (including improvement measures) and possible expenses (including possible losses due to absence of response strategies, estimated amount of penalties and compensation, etc.; provide explanation if amounts can not be reasonably estimated):

- On June 30, 2023, the Company has paid the fine of 55,000 for the Yilan County Environmental Protection Bureau, and the bag-type dust collector has improved the dust collection efficiency, which has greatly reduced the occurrence of fugitive emissions.
- On September 18, 2023, the Company paid the fine of the Yilan County Environmental Protection Bureau. It has strengthened the inspection of storm drains within the plant and the emergency response training for on-site operators in the event of an oil spill, in order to prevent a similar situation from happening again occurred, and there are no possible future losses, dispositions, and compensation expenses.
- The Company has paid the fine of Yilan County Environmental Protection Bureau on January 26, 2024. The zero offset and the full offset test have been conducted. There is no possible future loss, penalty and compensation.
- The Company has paid the fine of Yilan County Environmental Protection Bureau on January 26, 2024. The control SOP has been formulated as a reference for burnout users to properly control and reduce NOx exceeding the limit. There is no future possible loss, Disposal and compensation expenses.

5. Describe the current state of pollution and how improvements may affect the Company's earnings, competitiveness, and capital expenditure; estimate major capital expenditures on environmental protection in the next two years:

The Company and subsidiaries do not have any major environment-related capital expenditure planned in the next two years. However, external service providers will be commissioned to test emission of odors and pollutants on a regular and long-term basis. These arrangements will not have any material impact to the earning performance, competitive position, or capital expenditure of the Company and subsidiaries in the future.

#### (V) Labor Relationship

1. Availability and execution of employee welfare, education, training, and retirement policies. Elaborate on the agreements between employers and employees, and protection of employees' rights:

The Company and subsidiaries always attach great importance to employee welfare and talent training, and abide by labor-related laws and regulations to protect the rights of employees.

##### (1) Employee Benefits

The Company organizes regular health checkups twice a year. In addition to Labor Insurance and National Health Insurance, the Company also arranges group insurance for employees, their spouses and children that cover risk of death, accidental injury, medical service, and cancer treatment. Meanwhile, a welfare committee has been assembled to subsidize employees for various occasions such as weddings, birthdays, child birth, funerals, hospitalization, injury, disability, and annual travel. The committee also organizes activities from time to time and provides employees with gifts and vouchers on festive occasions.

##### (2) Training and Education for Employees

Every year we plan pre-job and on-the-job training budgets for employees to improve their professional skills, leadership, and career development. We also encourage them to actively improve their knowledge and participate in external

training courses, giving incentives for employees to obtain certification and actively participate in continuing education.

(3) Retirement system

Monthly pension contributions are set aside according to the Labor Standards Act, and employees are able to opt for the new scheme according to the Labor Pension Act, in which monthly pension contributions are made to employees' individual pension accounts held with the Bureau of Labor Insurance. Under the new system, 6% of the monthly salary is deducted to contribute to employees' retirement funds to their individual accounts at the Labor Insurance Bureau. The payment of employees' retirement benefits depends on the amount accumulated in the employee's individual retirement account and the accrued interest, which can be received either as monthly retirement benefits or as a lump sum payment. In the year 112, all colleagues under the new system account for 100% of the total, with a contribution rate of 100%.

Conditions for voluntary retirement application:

- A. Accumulated work experience in related enterprises totaling 10 years or more.
- B. Employees who will reach the age of 55 with over 15 years of work experience or over 25 years of work experience within five years.
- C. Employees aged 45 and above who are unable to continue working due to health reasons.

Procedures for retirement application:

- A. Colleagues apply for retirement, and the determination of retirement age is based on the household registration, calculated from the date of birth.
- B. Retirement applications should be submitted in writing one month in advance, and resignation procedures must be completed according to company regulations before formal retirement can be granted.

(4) Enforcement of Labor Agreements and Employee Rights

We handle the appointment, dismissal, transfer, profit sharing from earnings, reward, punishment, training, and education of employees with respect to the Labor and Standards Act and related provisions of our internal management and control systems to protect the rights and benefits of employees.

The Company's labor policy is based on the principle of open communication, creating a win-win situation for enterprises and employees through the following measures.

- A. Comply with the Labor Standards Act and related laws and regulations for the maximum protection of the rights and interests of employees.
- B. Provide unfettered and diverse communication channels for employees to freely express their opinions and get feedback.
- C. The Company and subsidiaries fully inform employees in advance of any operational changes and key measures, so that they can clearly understand the implications and support and cooperate accordingly.
- D. Provide employees with adequate training (elite training, internal professional training courses, professional certification, external education, and training expense subsidies, and encouragement of on-the-job training for employees).
- E. Other benefits such as reasonable employee benefits and compensation (group insurance, uniforms, holiday gifts, maternity benefits, employee trips, etc.) are provided.

- 2. Losses arising as a result of employment disputes in the last year up until the publication date of the Annual Report; quantify the estimated losses and state any response actions, and state the reasons if losses can not be reasonably estimated: The Company has maintained a harmonious relationship with employees since it was first

founded, and has been able to work with employees toward accomplishing a shared vision. For this reason, the Company suffered no loss from employment disputes in the last year and does not expect any damage from employment disputes in the future.

## VI. Information Security Management

(I) The managerial framework over information security, policies toward information security; the concrete programs of enforcement and the resources invested into management over information security.

### 1. Cybersecurity Risk Management Framework:

The Information Department oversees the execution of cybersecurity policy and is responsible for promoting cybersecurity awareness among employees. The Information Department conducts random cybersecurity inspections according to policy to ensure proper enforcement of cybersecurity practices. The Audit Office conducts annual audits on the Internal Control System - Information System Operations in order to evaluate the effectiveness of internal controls over information-related operations.

### 2. Cybersecurity Policy

- (1) A cybersecurity policy has been established for software, hardware, the financial reporting system, and subsystems thereof.
- (2) Regular cybersecurity inspections are conducted to enforce the cybersecurity policy and to ensure the security of information and communications.

### 3. Management Solutions and Commitment of Cybersecurity Management Resources

- (1) All computer terminals are required to install firewalls and antivirus software, and have virus code updated regularly.
- (2) All computer terminals must be configured to block installation of pirated software as well as any unauthorized software downloaded from the Internet.
- (3) Users are required to change login passwords on a regular basis.
- (4) Cybersecurity inspections and awareness programs must be duly executed.

(II) Losses and possible impacts as a result of major cybersecurity incidents in the last year up until the publication date of the Annual Report, and response measures: None.

## VII. Significant Contracts:

March 31, 2024

No.	Contractual Nature	Counterparty	Effective Dates of Contracts	Main Details	Special Terms and Conditions
1	Loan Agreement	Chang Hwa Bank Tunhwa Branch	September 1, 2023 to August 31, 2025	Medium- and Short-term Loan for Funding	Nil
2	Property Leasing	Land Bank of Taiwan Co., Ltd.	April 27, 2021 to April 30, 2026	Lease Agreement for Office Premises at Zhonglun Building	Nil
3	Trading Agreement	Ho Chang International Contractor Co., Ltd.	February 1, 2019 to January 31, 2026	Sale of Cement	Nil

Note: Construction contracts and other significant contracts affecting shareholders' equity as of the publication date of the Annual Report that are still in force and expired in the latest year.

## Six. Financial Overview

### I. Condensed statement of financial positions and consolidated statement of comprehensive income of the past five years

(I) Condensed Balance Sheet and Consolidated Statement of Comprehensive Income - International Financial Reporting Standards

#### 1. Condensed Balance Sheet (consolidated)

Unit: NT\$ thousands

Item	Year	Financial Information for the Past Five Years					The current year as of March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023 (Note 2)	
Current Assets		1,729,687	1,665,741	2,084,419	2,820,848	2,761,413	-
Property, Plant, and Equipment		3,052,572	3,441,382	3,461,873	3,546,898	3,671,253	-
Intangible Assets		224,036	229,688	158,709	173,310	170,274	-
Others Assets		133,556	115,669	475,502	870,429	818,682	-
<b>Total Assets</b>		<b>5,139,851</b>	<b>5,452,480</b>	<b>6,180,503</b>	<b>7,411,485</b>	<b>7,421,622</b>	<b>-</b>
Current Liabilities	Before Distribution	1,128,383	1,359,720	1,079,610	2,841,326	2,258,708	-
	After Distribution	1,201,883	1,475,220	1,079,610	2,875,826	-	-
Non-current Liabilities		1,672,765	1,699,069	2,601,085	2,070,259	2,559,465	-
Total Liabilities	Before Distribution	2,801,148	3,058,789	3,680,695	4,911,585	4,818,173	-
	After Distribution	2,874,648	3,174,289	3,680,695	4,946,085	-	-
Equity Attributed to Owners of Parent		2,338,703	2,393,691	2,243,473	2,206,537	2,281,215	-
Capital		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-
Capital Reserve		656,157	656,157	696,548	711,624	677,124	-
Retained Earnings	Before Distribution	224,791	281,620	62,642	101,087	215,843	-
	After Distribution	151,291	166,120	62,642	101,087	-	-
Other Equities		(42,245)	(44,086)	(15,717)	(106,174)	(111,752)	-
Treasury Stock		-	-	-	-	-	-
Non-Controlling Interests		-	-	256,335	293,363	322,234	-
Total Equity	Before Distribution	2,338,703	2,393,691	2,499,808	2,499,900	2,603,449	-
	After Distribution	2,265,203	2,278,191	2,499,808	2,465,400	-	-

Note 1: The above financial information of 2019-2023 is verified and certified by an accountant.

Note 2: The proposal for the distribution of 2023 earnings has been approved by the Board of Directors on March 13, 2024, but has not yet been approved by the Shareholders' Meeting.

Note 3: By the date of annual report publication, no CPA-reviewed financial data for Q1 2024 is available.

## 2. Condensed Balance Sheet (standalone)

Unit: NT\$ thousands

Item \ Year	Financial Information for the Past Five Years					The current year as of March 31, 2024 (Note 3)	
	2019	2020	2021	2022	2023 (Note 2)		
Current Assets	1,258,726	1,090,048	1,387,096	1,968,983	1,723,369	-	
Property, Plant, and Equipment	3,051,935	3,440,813	3,460,341	3,544,980	3,664,071	-	
Intangible Assets	223,778	229,534	158,262	172,937	170,099	-	
Others Assets	256,647	259,198	520,528	832,053	802,319	-	
Total Assets	4,791,086	5,019,593	5,526,227	6,518,953	6,359,858	-	
Current Liabilities	Before Distribution	793,752	949,763	730,351	2,279,752	1,552,621	-
	After Distribution	867,252	1,065,263	730,351	2,314,252	-	-
Non-current Liabilities	1,658,631	1,676,139	2,552,403	2,032,664	2,526,022	-	
Total Liabilities	Before Distribution	2,452,383	2,625,902	3,282,754	4,312,416	4,078,643	-
	After Distribution	2,525,883	2,741,402	3,282,754	4,346,916	-	-
Equity Attributed to Owners of Parent	2,338,703	2,393,691	2,243,473	2,206,537	2,281,215	-	
Capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	-	
Capital Reserve	656,157	656,157	696,548	711,624	677,124	-	
Retained Earnings	Before Distribution	224,791	281,620	62,642	101,087	215,843	-
	After Distribution	151,291	166,120	62,642	101,087	-	-
Other Equities	(42,245)	(44,086)	(15,717)	(106,174)	(111,752)	-	
Treasury Stock	-	-	-	-	-	-	
Non-Controlling Interest	-	-	-	-	-	-	
Total Equity	Before Distribution	2,338,703	2,393,691	2,243,473	2,206,537	2,281,215	-
	After Distribution	2,265,203	2,278,191	2,243,473	2,172,037	-	-

Note 1: The above financial information of 2019-2023 is verified and certified by an accountant.

Note 2: The proposal for the distribution of 2023 earnings has been approved by the Board of Directors on March 13, 2024, but has not yet been approved by the Shareholders' Meeting.

Note 3: By the date of Annual Report publication, no CPA-reviewed financial data for Q1 2024 is available.

### 3. Condensed Consolidated Income Statement (consolidated)

Unit: NT\$ thousands

Item	Year	Financial Information for the Past Five Years					The current year as of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Operation Income		3,082,428	3,298,720	3,535,549	4,249,175	5,500,872	-
Gross Profit		305,007	398,177	352,414	419,023	625,014	-
Operating Profit		116,083	163,836	37,948	136,264	290,308	-
Non-Operating Income and Expenses		(8,820)	(5,341)	(154,497)	57	(35,880)	-
Profit (Loss) Before Tax		107,263	158,495	(116,549)	136,321	254,428	-
Net Income (loss) Current Period		87,797	130,619	(94,661)	102,987	210,954	-
Other Comprehensive Income in the Current Period (Net of Tax)		(6,156)	(2,131)	31,699	(91,555)	(7,280)	-
Total Comprehensive Income Current Period		81,641	128,488	(62,962)	11,432	203,674	-
Net Income (Loss) Attributable to Owners of Parent		87,797	130,619	(103,741)	38,108	114,983	-
Net Income (Loss) Attributable to Non-Controlling Shareholders		-	-	9,080	64,879	95,971	-
Total Comprehensive Income Attributable to Owners of Parent		81,641	128,488	(75,109)	(52,996)	109,178	-
Total Comprehensive Income Attributable to Non-Controlling Interest		-	-	12,147	64,428	94,496	-
Earnings (Losses) per Share (NTD)		0.59	0.87	(0.69)	0.25	0.77	-

Note 1: The above financial information of 2019-2023 is verified and certified by an accountant.

Note 2: By the date of Annual Report publication, no CPA-reviewed financial data for Q1 2024 is available.

4. Condensed Consolidated Income Statement (standalone)

Unit: NT\$ thousands

Item \ Year	Financial Information for the Past Five Years					The current year as of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operation Income	2,314,528	2,459,576	2,629,500	3,190,424	3,988,001	-
Gross Profit	161,282	235,593	195,199	206,079	335,952	-
Operating Profit(Loss)	28,661	64,908	(7,525)	15,368	115,677	-
Non-Operating Income and Expenses	59,921	72,937	(127,856)	30,769	7,044	-
Profit (Loss) Before Tax	88,582	137,845	(135,381)	46,137	122,721	-
Net Income (Loss) Current Period	87,797	130,619	(103,741)	38,108	114,983	-
Other Comprehensive Income in the Current Period (Net of Tax)	(6,156)	(2,131)	28,632	(91,104)	(5,805)	-
Total Comprehensive Income Current Period	81,641	128,488	(75,109)	(52,996)	109,178	-
Earnings (Losses) per Share (NTD)	0.59	0.87	(0.69)	0.25	0.77	-

Note 1: The above financial information of 2019-2023 is verified and certified by an accountant.

Note 2: By the date of Annual Report publication, no CPA-reviewed financial data for Q1 2024 is available.

(II) The Names and the Audit Opinion of the CPAs in the Past Five Years

1. The Names and the Audit Opinion of the CPAs in the Past Five Years

Year	Name of CPA Firm	Name of CPA	Audit Opinions
2019	PwC Taiwan	Wang, Chao-Ming, Hsu, Ming-Chuan	Unqualified Opinion
2020	PwC Taiwan	Wang, Chao-Ming, Hsu, Ming-Chuan	Unqualified Opinion
2021	PwC Taiwan	Huang, Chin-Lien, Chang, Shu-Chiung	Unqualified Opinion
2022	PwC Taiwan	Huang, Chin-Lien, Chang, Shu-Chiung	Unqualified Opinion
2023	PwC Taiwan	Huang, Chin-Lien, Chang, Shu-Chiung	Unqualified Opinion

2. If there was any reappointment of CPAs in the last five years, provide reasons for reappointment from the Company, the former CPA, and the succeeding CPA:

Following an internal rotation within PwC Taiwan in 2021, the Company changed its financial statement auditors from CPA Wang, Chao-Ming and CPA Hsu, Ming-Chuan to CPA Huang, Chin-Lien and CPA Chang, Shu-Chiung.

3. In cases where financial statements have been audited by the same CPAs for the last 7 consecutive years (for domestic and foreign public companies), please explain reasons for not changing financial statement auditors, the independence of current auditors, and any response measures that aim to enhance auditors' independence:

The Company became a public company after initial public, and therefore encounters no occurrence where financial statements were audited by the same auditors for 7 consecutive years, hence this is not applicable.

## II. Financial analysis of the past five year

### (1) IFRS-compliant (consolidated)

Item		Financial analysis of the past five year					The current year as of March 31, 2024 (Note 2)	Change Rate in the Past Two Years (%)	Remark
		2019	2020	2021	2022	2023			
Financial Structure	Liabilities to Assets Ratio (%)	54.49	56.10	59.55	66.27	64.92	-	(2.04)	
	Long-term Capital to PP&E Ratio (%)	131.41	118.92	147.34	128.95	140.63	-	9.06	
Solvency	Current Ratio (%)	153.28	122.50	193.07	99.40	122.25	-	22.99	Description 1
	Quick Ratio (%)	99.52	61.83	121.06	59.29	71.41	-	20.44	Description 2
	Debt Service Coverage Ratio	7.05	9.67	(4.18)	4.35	4.95	-	13.79	
Management Ability	Average Collection Turnover (times)	5.82	5.84	5.75	5.51	4.95	-	(10.16)	
	Average Collection Days	62.71	62.50	63.47	66.24	73.73	-	11.31	
	Average Inventory Turnover (times)	2.64	2.04	2.31	2.91	2.51	-	(13.75)	
	Average Payable Turnover (times)	6.24	5.67	5.96	5.93	6.03	-	1.69	
	Average Inventory Turnover Days	138.25	178.92	158.00	125.42	145.41	-	15.94	
	PP&E Turnover (times)	1.04	1.01	1.02	1.21	1.52	-	25.62	Description 3
	Total Assets Turnover (times)	0.63	0.62	0.60	0.62	0.74	-	19.35	
Portability	Return on Assets (%)	2.09	2.74	(1.31)	1.99	3.53	-	77.39	Description 4
	Return on Equity (%)	3.73	5.52	(3.86)	4.12	8.26	-	100.49	Description 4
	Profit Before Tax to Capital Stock (%)	7.15	10.56	(7.77)	9.08	16.96	-	86.78	Description 4
	Profit Margin (%)	2.84	3.96	(2.67)	2.42	3.83	-	58.26	Description 4
	Equity per Share (NT\$)	0.59	0.87	(0.69)	0.25	0.77	-	208.00	Description 4
Cash Flow	Cash Flow Ratio (%)	36.85	6.93	25.76	Note1	13.68	-		
	Net Cash Flow Adequacy Ratio (%)	77.05	48.85	43.98	32.12	24.11	-	(24.94)	Description 5
	Cash Reinvestment Ratio (%)	6.08	0.39	2.49	Note1	3.98	-		
Leverage	Operation Leverage	3.89	3.27	13.05	4.21	2.74	-	(34.92)	Description 6
	Financial Leverage	1.18	1.12	2.46	1.42	1.28	-	(9.86)	

Accounts for changes in financial ratio up to 20% in the past two years:

Explanation 1: Short-term borrowings and long-term liabilities due within one year or one operating cycle decreased compared to the previous period, which led to an increase in the current ratio.

Explanation 2: Short-term borrowings and long-term liabilities due within one year or one operating cycle decreased compared to the previous period, which led to an increase in the quick ratio.

Explanation 3: Sales revenue increased from the previous period, which led to an increase in the PP&E turnover times.

Explanation 4: Net income increased compared to the previous year, which led to an increases in return on assets, return on equity, profit before tax to capital stock, profit margin and equity per share.

Explanation 5: The capital expenditures, addition to inventory and cash dividend over the past five years increased compared to the previous period, which led to a decrease in the net cash flow adequacy ratio.

Explanation 6: Operating income increased compared to the previous period, which led to a decrease in operating leverage.

Source: Based on audited financial statements.

Note 1: The cash flow ratio, cash reinvestment ratio were negative, hence not calculated.

Note 2: As of the publication date of the Annual Report, no auditor-reviewed financial information was available for the first quarter of 2024.

(2) IFRS-compliant (standalone)

Item \ Year		Financial analysis of the past five year					The current year as of March 31, 2024 (Note 2)	Change Rate in the Past Two Years (%)	Remark
		2019	2020	2021	2022	2023			
Financial Structure	Liabilities to Assets Ratio (%)	51.18	52.31	59.40	66.15	64.13	-	(3.05)	
	Long-term Capital to PP&E Ratio (%)	130.97	118.28	138.59	119.58	131.19	-	9.71	
Solvency	Current Ratio (%)	158.57	114.77	189.92	86.36	110.99	-	28.52	Description 1
	Quick Ratio (%)	101.64	60.93	107.42	54.15	60.89	-	12.45	
	Debt Service Coverage Ratio	6.04	8.57	(5.07)	2.14	2.91	-	35.98	Description 2
Management Ability	Average Collection Turnover (times)	5.35	5.54	5.50	4.99	4.89	-	(2.00)	
	Average Collection Days	68.22	65.88	66.36	73.14	74.64	-	2.05	
	Average Inventory Turnover (times)	4.65	4.88	4.57	4.42	4.78	-	8.14	
	Average Payable Turnover (times)	13.26	10.89	11.10	11.66	12.69	-	8.83	
	Average Inventory Turnover Days	78.49	74.79	79.86	82.57	76.36	-	(7.52)	
	PP&E Turnover (times)	0.78	0.75	0.76	0.91	1.1	-	20.88	Description 3
	Total Assets Turnover (times)	0.51	0.50	0.49	0.52	0.61	-	17.31	
Portability	Return on Assets (%)	2.24	2.96	(1.63)	1.16	2.58	-	122.41	Description 4
	Return on Equity (%)	3.73	5.52	(4.47)	1.71	5.12	-	199.42	Description 4
	Profit Before Tax to Capital Stock (%)	5.90	9.19	(9.02)	3.07	8.18	-	166.45	Description 4
	Profit Margin (%)	3.79	5.31	(3.94)	1.19	2.88	-	142.02	Description 4
	Equity per Share (NT\$)	0.59	0.87	(0.69)	0.25	0.77	-	208.00	Description 4
Cash Flow	Cash Flow Ratio (%)	52.72	24.20	27.40	Note 1	22.40	-		
	Net Cash Flow Adequacy Ratio (%)	75.44	66.41	58.06	37.44	41.44	-	10.68	
	Cash Reinvestment Ratio (%)	6.16	2.97	1.36	Note 1	4.80	-		
Leverage	Operation Leverage	11.06	5.88	Note 1	24.37	4.58	-	(81.21)	Description 5
	Financial Leverage	2.58	1.39	0.25	Note 1	2.24	-		

Accounts for changes in financial ratio up to 20% in the past two years:

Explanation 1: Short-term borrowings and long-term liabilities due within one year or one operating cycle decreased compared to the previous period, which led to an increase in the current ratio.

Explanation 2: Profit before tax increased from the previous period, which led to an increase in the debt service coverage ratio.

Explanation 3: Sales revenue increased from the previous period, which led to an increase in the PP&E turnover times.

Explanation 4: Net income increased compared to the previous year, which led to an increases in return on assets, return on equity, profit before tax to capital stock, profit margin and equity per share.

Explanation 5: Operating income increased compared to the previous period, which led to a decrease in operating leverage.

Source: Based on audited financial statements.

Note 1: The cash flow rate, cash reinvestment ratio, degree of operating leverage and degree of financial leverage were negative, hence not calculated.

Note 2: As of the publication date of the Annual Report, no auditor-reviewed financial information was available for the first quarter of 2024.

Below are the formulas used in various financial analyses:

1. Financial Structure

- (1) Liabilities to assets ratio = Total Liabilities/Total Assets
- (2) Long-term Capital as a Percentage of Real Estate, Plants, and Equipment = (total equity + non-current liabilities)/net property, plants, and equipment.

2. Solvency

- (1) Current ratio = Current Assets/ Current Liabilities
- (2) Quick Ratio = (current assets - inventory - prepaid)/current liabilities.
- (3) Interest coverage ratio = Net Income Before Income Tax and Interest Expense / Interest Expenses

3. Management Ability

- (1) Balance of Receivables (including accounts receivable and notes receivable due to business) Turnover = net sales/average receivables for each period (including accounts receivable and notes receivable due to business).
- (2) Average Collection Days = 365/receivables turnover.
- (3) Inventory Turnover = cost of goods sold/average inventory amount.
- (4) Balance of Payables (including accounts payable and notes payable due to business) Turnover = cost of goods sold/average payables for each period (including accounts payable and notes payable due to business).
- (5) Average Sales Days = 365/inventory turnover.
- (6) PP&E Turnover = net sales/ net average PP&E
- (7) Total Asset Turnover = net sales/average total assets.

4. Profitability

- (1) Return on Assets = [after-tax profit (loss) + interest expense × (1 - tax rate)]/average total assets.
- (2) Return on Equity = after-tax profit (loss)/average equity.
- (3) Net Profit Rate = after-tax profit (loss)/net sales.
- (4) EPS = (Equity attributable to owners of the parent – dividend from preferred shares)/weighted average number of outstanding shares.

5. Cash Flow

- (1) Cash Flow Ratio = net cash flow from operation/current liabilities
- (2) Net Cash Flow Adequacy Ratio = net cash flow from operation over the past five years/(capital expense +addition to inventory + cash dividend) over the past five years.
- (3) Cash Reinvestment Ratio = (net cash flow from operation – cash dividend)/(gross PP&E + long-term investment + other non-current assets + working capital).

6. Leverage:

- (1) Operation Leverage = (net income – variable cost and expenses from operation)/operating profit.
- (2) Financial Leverage = operating income/(operating income-interest expenses).

III. Audit report on the financial statements in the most recent year by the Audit Committee:

Ruentex Materials Co., Ltd.

Audit Report by the Auditing Commission

The Board of Directors has duly prepared the business reports, financial statements, and surplus distribution proposal for 2023. Among them, the financial statements were duly audited by Certified Public Accountants Huang, Chin-Lien and Chang, Shu-Chiung of “PricewaterhouseCoopers Taiwan” in full who, in turn, duly issued the Audit Report. After reviewing such documents, the Audit Committee found no nonconformity and thus presented this Report to the AGM for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of The Company Act.

Sincerely,

The regular meeting of shareholders of the Company, 2024

Audit Committee’s Convener: Chen, Ming-Chin

March 13, 2024

- IV. Consolidated financial statements of the previous year certified by a CPA: See Appendix I
- V. Standalone financial statements of the previous year certified by a CPA: See Appendix II
- VI. Financial Difficulties of the Company and Its Affiliates in the Most Recent Year and as of the Date of Publication of the Annual Report: None.

## Seven. Review of financial position, financial performance, and risk management

### I. Financial Position:

Unit: NT\$ thousands; %

Item \ Year	2023	2022	Difference		
			Amount	%	Description
Current Assets	2,761,413	2,820,848	(59,435)	(2.11)	
Property, Plant, and Equipment	3,671,253	3,546,898	124,355	3.51	
Intangible Assets	170,274	173,310	(3,036)	(1.75)	
Other Non-current Assets	818,682	870,429	(51,747)	(5.94)	
Total Assets	7,421,622	7,411,485	10,137	0.14	
Current Liabilities	2,258,708	2,841,326	(582,618)	(20.51)	Description 1
Non-current Liabilities	2,559,465	2,070,259	489,206	23.63	Description 2
Total Liabilities	4,818,173	4,911,585	(93,412)	(1.90)	
Equity Attributed to Owners of parent	2,281,215	2,206,537	74,678	3.38	
Capital	1,500,000	1,500,000	0	0.00	
Capital Reserve	677,124	711,624	(34,500)	(4.85)	
Retained Earnings	215,843	101,087	114,756	113.52	Description 3
Other Equities	(111,752)	(106,174)	(5,578)	(5.25)	
Non-controlling Interest	322,234	293,363	28,871	9.84	
Total Equity	2,603,449	2,499,900	103,549	4.14	
Explanation to significant variations (variations amounting to more than 20% or NT\$10 million in value):					
Explanation 1: Mainly due to year-on-year decreases in short-term borrowings and long-term liabilities due within one year or one operating cycle.					
Explanation 2: Mainly due to year-on-year increase in long-term borrowings.					
Explanation 3: Mainly due to year-on-year increase in net income.					

II. Financial Performance:

1. Significant changes in operating revenues, operating income, and pre-tax income in the last 2 years:

Unit: NT\$ thousands; %

Item \ Year	2023	2022	Difference		
			Amount	%	Description
Operation Income	5,500,872	4,249,175	1,251,697	29.46	Description 1
Gross Profit	625,014	419,023	205,991	49.16	Description 1
Operating Profit	290,308	136,264	154,044	113.05	Description 1
Non-Operating Income and Expenses	(35,880)	57	(35,937)	(63,047.37)	Description 2
Income (Loss) Before Tax	254,428	136,321	118,107	86.64	Description 1
Income (Loss) Current Period	210,954	102,987	107,967	104.84	Description 1
Other Comprehensive income	(7,280)	(91,555)	84,275	92.05	Description 3
Total Comprehensive Income Current Period	203,674	11,432	192,242	1,681.61	Description 1 and 3
Net Income Attributable to Owners of Parent Company	114,983	38,108	76,875	201.73	Description 1
Net Profit Attributable to Non-Controlling Interests	95,971	64,879	31,092	47.92	Description 4
Total Comprehensive Income Attributable to Owners of Parent Company	109,178	(52,996)	162,174	306.01	Description 1 and 3
Total Comprehensive Income Attributed to non-Controlling Interest	94,496	64,428	30,068	46.67	Description 4
Earnings per Share (NTD)	0.77	0.25	0.52	208.00	Description 1

Explanation to significant variations (variations amounting to more than 20% or NT\$10 million in value):

Explanation 1: Production and sales quantity increased year-on-year mainly due to stable production, which led to a year-on-year increase in operating income, gross profit, operating profit, income before tax, income current period, total comprehensive income current period, net income attributable to owners of parent company, total comprehensive income attributable to owners of parent company and earnings per share (NTD).

Explanation 2: Mainly due to increased in interest expense.

Explanation 3: Mainly due to increased in the price of financial assets, which led to a decrease in other comprehensive loss.

Explanation 4: Mainly due to net income of subsidiary increased current period, which led to a year-on-year increase in non-controlling interests.

2. Expected sales, the basis of estimation, likely impacts on the Company's future financial position, and response plans:

(1) Basis for Expected Sales Volume: The Company sets annual targets based on customers' expected demand, the overall market condition, production capacity plans, and previous performance. Furthermore, given the market's demand for diversity, the Company will continue committing resources into the development of new products. It is expected that the cement sales will be flat compared to the previous year, and the sales volume of building materials will increase compared to the previous year.

(2) Possible Financial Impacts and Response Plans: The Company will strive to support business growth with improved production capacity and more efficient use of financial capital.

### III. Cash Flow

#### 1. Analysis of Changes in Cash Flows for the Most Recent Year (2023):

Unit: NT\$ thousands

Beginning Cash Balance a	Annual Net Operating Cash Flow b	Annual Net Investing Cash Flow c	Annual Net Financing Cash Flow d	Cash Balance (insufficiency) a+b+c+d	Estimated Remedy for Cash Shortage	
					Investment Plans	Financial Management Plans
652,743	309,176	(258,134)	(403,523)	300,262	-	-

Analysis of changes in cash flows in the current year:

- (1) Operating Activities: Mainly due to ongoing business expansion, net income increased, which generated net cash inflow from operating activities.
- (2) Investing Activities: Mainly due to acquisition of real estate properties, and prepayment of equipment purchases, which led to net cash outflow from investing activities.
- (3) Financing Activities: Mainly due to repayments to borrowings, which led to net cash outflow from financing activities.

2. Improvements for Lack of Liquidity: The Company encounters no shortage of cash and does not expect to be in short of liquidity.

#### 3. Analysis of Cash Liquidity in the Next Year (2024):

Unit: NT\$ thousands

Beginning Cash Balance a	Estimated Annual Net Operating Cash Flow b	Estimated Annual Net Investing Cash Flow c	Estimated Annual Net Financing Cash Flow d	Estimated Cash Balance (insufficiency) a+b+c+d	Estimated Remedy for Cash Shortage	
					Investment Plans	Financial Management Plans
300,262	529,575	(122,636)	(354,362)	352,839	-	-

Analysis:

#### 1. Analysis of Cash Flow Variation for the Next Year:

Operating Activities: Net cash inflow from operating activities is estimated primarily based on expected business circumstances, receivables, and payables for 2024.

Investing Activities: Net cash outflow from investing activities represent acquisitions and upgrades of production equipment and other capital expenditures that the Company expects to occur in 2024.

Financing Activities: Net cash outflow from financing activities mostly represent repayments to borrowings and payment for dividend that are expected to occur in 2024.

2. Response Measures and Liquidity Analysis for Cash Flow Deficit: Not applicable as the Company does not expect any cash deficit.

IV. Influence of major capital expenditures on financial position and operation in recent years:None.

V. Re-investment policies, main causes of profit or loss, and improvement plans in the previous year, and investment plans in the next year:

1. Profits or Losses of Business Investments for 2023: Please see Note (13) - 2. Business Investments of Appendix 1-9 - Consolidated Financial Statements in the Annual Report.

2. The Company's investment policies have been developed to cater to the needs of its core business and to support long-term strategies instead of short-term gains.

3. Investment Plans for the Next Year: None.

VI. Risk Analysis and Assessment (the previous year until the date of report publication)

(I) Risk Factors

1. Influence on income of changes in interest rate and exchange rate volatility and inflation, and future countermeasures:

(1) Interest Rate Changes:

A. Impact on the Company's Earnings

The Company and subsidiaries reported NT\$(38,230) thousand and NT\$(60,443) thousand of net income (expenses) for 2022 and 2023, representing 28.04% and 23.76% of profit (loss) before tax in the respective years. Interest rate changes apparently have some impact on the Company's profitability.

B. Response Measures

The Company and subsidiaries monitor bank borrowing rates on a regular basis and maintain good relationships with banks to make sure that loans are drawn at more favorable rates, and thereby reduce interest expenses. Changes in market interest rates are also monitored constantly to facilitate proper responses.

(2) Exchange Rate Changes:

A. Impact of Exchange Rate Variation on the Company's Profitability

The Company and subsidiaries sell primarily to the domestic market, and all revenues are denominated in NTD. Due to a lack of locally produced energy products, the Company sources the majority of its raw materials and fuel from abroad, and these transactions are denominated in USD. Aside from the above,

the Company also purchases machinery parts from Europe. Net gains on currency exchange was reported at NT\$2,118 thousand for 2022 and NT\$(2,041) thousand for 2023, representing 0.05% and (0.04)% of net revenue and 1.55% and (0.80)% of profit (loss) before tax in the respective years. The effect of exchange rate variation on profitability of the Company and subsidiaries is deemed insignificant; nevertheless, the Company will continue monitoring changes in the USD rate out of conservatism and respond accordingly.

#### B. Response Measures

- a. Observe how the global economy affects exchange rate variation, and develop hedging practices where necessary.
- b. Plan foreign currency requirements in advance, and gradually reduce the minimum position for reduced costs.
- c. The Finance Department will maintain close relationships with financial institutions and make flexible adjustments to foreign currency positions by observing exchange rate changes.

#### (3) Inflation:

The Company pays constant attention to fluctuations of raw material prices, and maintains good interactions with suppliers and customers to facilitate forecasting of raw material costs and minimize the effect of price changes. The Company will examine changes in the cost of raw materials regularly, and raise selling prices when changes exceed the predetermined tolerance, and thereby transfer price risks while at the same time prevent significant inflation impacts on the Company and subsidiaries.

2. Policies, main reason(s) for profits or losses, and future countermeasures for engaging in high-risk and high-leverage investments, lending, offering guarantees and endorsements, and derivatives investments:

The Company and subsidiaries have always adopted a pragmatic focus toward its core business and formulated financial policies out of conservatism. The organization does not engage in high-risk or highly leveraged investments. All external party lending, endorsements, guarantees, and derivative trading are executed according to the “External Party Lending Procedures”, “Endorsement/Guarantee Policy”, and “Asset Acquisition and Disposal Procedures”. Should the Company decide to establish a derivative trading policy in the future, one will be created out of conservatism solely for the purpose of avoiding exchange rate risks.

3. Future Research and Development Plans and Projected Expenses:

The Company previously had two R&D units created to support its main business activities; these units were responsible for exploring improvements to cement and

construction materials. In an attempt to secure innovation as a competitive advantage over peers, the Company expanded its existing R&D organization and created an Innovation R&D Center for more effective integration of available resources.

The Innovation R&D Center will aim to recruit master's and doctoral degree holders, focus on problem-solving through teamwork, and develop new products and technologies for improved competitiveness. The R&D Center will also introduce a new talent development plan with stage-by-stage training to help employees develop the R&D capacity needed to shorten the product development timeline.

The R&D Center will implement performance indicators and manage accordingly to increase productivity and production value and reduce the learning curve for the R&D team. These performance indicators will be associated with the compensation and personnel management system in ways that improve production capacity and value of R&D personnel and contribute to overall management performance.

The Innovation R&D Center will focus on the development of new energy and carbon reduction technologies, green building materials, and high-end granulation techniques, whereas laboratories featuring advanced production equipment and testing facilities will also be constructed as part of the Innovation R&D Center. With new technologies and better system integration, the Company hopes to create new values for its products and strengthen competitiveness within the industry.

#### (1) Future R&D Plans

##### A. Cement Business:

As far as national standards are concerned, products of the Company can be distinguished into two categories: those that conform with national standards and where the R&D efforts focus primarily on maintaining quality and saving costs; and those without national standards where the R&D efforts focus mainly on creating demand. R&D resources will be allocated to cater for a balance between the two.

With regards to cost-saving projects, the Company will aim to make use of alternative materials and fuel, and turn industrial by-products into resources through the use of pre-processing and post-processing equipment, as doing so will yield cost reduction as well as environmental protection benefits.

Taiheiyo Cement from Japan, for example, uses industrial by-products that make up 45% of all raw materials and renewable energy that makes up 46% of total fuel in production activities. Mainland China, too, is currently developing environmental protection policies that make use of cement kilns for urban waste treatment. Taiwan, on the other hand, produces a great variety yet small quantity of limestone sludge, sludge from water treatment, stone sludge, etc. that pose

major environmental concerns if improperly disposed of. These concerns remain unresolved due to technological and policy restrictions.

Cement rotary kilns burn up at to 1,500°C, a temperature that effectively disintegrates industrial by-products, and its ability to smelt hard-to-treat heavy metals into cement makes it the ultimate treatment facility for industrial by-products. In the future, the Company will look for alternative industrial by-products such as: furnace slag for steel milling, oxidizing slag, reductive slag, etc. and turn them into vital materials and fuel by applying appropriate pre-/post-treatments. Doing so not only reduces the cost of cement production, but also contributes to environmental protection, and is a solution that caters to sustainability and profitability at the same time.

In 2023, the Company supported the government's circular economy and energy/carbon reduction initiatives by continually introducing industrial by-products as an alternative material for cement production, and making improvements to cement systems and equipment to accommodate the incorporation of industrial by-products into cement production. In 2024, the Company further incorporated the use of alternative fuel for treatment of industrial by-products and conducted related tests. The substitution rate of alternative fuel is set at 3% for the initial stage.

Residual heat can also be reused for the production of lightweight glass beads, and the Company has so far acquired information on the supply of by-products for lightweight glass beads, developed a formula for lightweight aggregates involving a diverse variety and sources of by-products, developed streamlined production procedures, established quality control points and standards, and obtained adequate know-how and a database on reuse of residual heat for production of lightweight glass beads as well as production of lightweight aggregates. From 2022 to 2023, the Company will transform the production and manufacturing technology researched and developed independently into the planned light-weight microbead production line, and complete the construction of the factory in the second half of 2023. In the first half of 2024, the trial operation of the equipment is planned. It is necessary to establish the production parameters for official mass production of light microbeads and to adjust the equipment. It is expected that the light microbeads products will be officially mass produced in the second half of 2024.

As for the application of lightweight microspheres, the Company uses lightweight microspheres as the main raw material and combines them with various types of cement to prepare different functional lightweight microsphere boards for various market applications. This functional board not only retains the

characteristics of low density, low thermal conductivity, and fire resistance of lightweight microspheres, but also gains functions such as cutting, drilling, shaping, and water permeability. Further, according to the market demand, it can be applied to various projects such as building lightweight, thermal insulation, thermal insulation, fire prevention, explosion-proof and so on. The initial application is aimed at the development of micro-bead boards. By combining inorganic cementitious materials (gypsum, fire-proof mortar, high-alumina cement, etc.), the development of related boards with heat insulation, fire prevention, explosion-proof features, etc. The initial goal is to develop raw materials that can replace current commercial products. With the advantages of lightweight microspheres as an environmentally friendly material, we will gradually expand the application of lightweight microspheres downstream to increase the added value of existing products. In this way, the lightweight micro-beads can not only be used in the domestic and foreign markets for the original insulation mortar, but also further encourage downstream manufacturers of domestic related applied boards to replace the imported materials with lightweight micro-beads, reduce the cost of raw materials, improve the internal competitiveness of the industry.

#### B. Building materials business:

RT.MIX is the leading brand of ready-mix concrete, and we try to differentiate our products from competitors through ongoing research, development, innovation, and technological enhancement. Emphases of our R&D efforts are as follows:

- a. Optimization of Existing Products: Ongoing improvements will be made to the current product line with respect to transportability, workability, and ability to be incorporated with subsequent works.
- b. Development of New Products: New products and customized products such as industrial floor panels, outdoor self-leveling cement, indoor colored floor panels, rubber-based soundproof floor panels, C2 tile adhesives for long duration works, adhesives for autoclaved lightweight concrete blocks, low efflorescence adhesives, and soundproof concrete will be developed to support the needs of ongoing works and customers.
- c. Development of New Cement Materials: “Calcium” is a key ingredient for cement, and is made by grinding sintered limestones. Limestone is in limited supply while cement production is an energy-intensive process, and in an attempt to reduce use of precious resources and energy, the Company plans to develop a next-generation cement material called non-calcium cementitious material. This new material is made primarily from silicon and aluminum, the

most abundant elements on Earth, and does not involve sintering at high temperature, which in turn reduces energy consumption. This new product resists acids, alkali, and flames, offering high durability making it suitable for special uses. The Company plans to replace the current cement line with the new product in the future.

- d. The government actively promotes green energy as a way to reduce dependence on fossil fuels and drive growth of the nation's green energy industry. Given the abundance of wind flowing along the Taiwan Strait, many are optimistic about the potential of offshore wind power as a viable power source for Taiwan. The Company's ShifuGrout U799, a specialized cement for the foundations of offshore wind turbines, has been certified by DNV Business Assurance Co., Ltd., and will be marketed to offshore wind power contractors in Taiwan and overseas in the future. The Company has already begun development of ShifuGrout U769, another specialized cement for the foundations of offshore wind turbines, that works with the SILO system and different tools for better work efficiency. Certification for this new product is expected to be completed in 2024. The Company has also developed thermal grout for HDD pipes that connect subsea cables to land cables, which has the ability to transfer heat from cables into the soil. The ShifuGrout T508 series is already used in eight subsea pipes for offshore wind farms.

## (2) Expected R&D Expenses

### A. Cement Business:

With regards to the use of alternative materials and alternative fuel for cost reduction, the Company is exploring the possibility of turning industrial by-products (such as furnace slag from steel milling, oxidizing slag, reductive slag, etc.) into raw materials for cement, and the process mainly involves: developing the technology needed to handle various materials, and making appropriate adjustments to production/weighing/feeding equipment. The Company will plan and develop the technologies and equipment needed to handle various materials (particularly Thermal Mechanic Analysis; TMA), recruit additional staff to form special project teams, and adjust R&D expenses in line with changes in market trends and demand of the environmental protection business.

### B. Building materials business:

Pingtung Ligang Plant commenced mass production in 2021, and given that gravel is an important construction material, the Company will acquire advanced chemical composition analyzers and related laboratory equipment to rigorously examine gravel contents, and thereby ensure the quality of gravels delivered to

customers. The Company will be the first in the industry to make use of a high-performance gravel analyzer; doing so will create further differentiation from peers and help secure a leading position in the quality race. The Company will adjust purchases of R&D equipment to accommodate changes in market trends and customers' needs in the future.

Overall, approximately NT\$56 million will be invested into R&D in 2024 to inspire new innovations from customers' perspectives.

4. The impact of important domestic and international policies and legal changes on the Company's financial business and countermeasures:

The Company and subsidiaries comply with local and foreign regulations in all daily operations. It pays constant attention to political and regulatory developments local and abroad, and gathers relevant information that the management may use to make informed decisions, so that adjustments can be made to operational strategies. The Company and subsidiaries encountered no change in local or foreign policy/regulation that affected its financial or business performance in the last year up until the publication date of this Annual Report.

5. The impact of technological (includes information security risk) and industrial changes on the Company's financial business and countermeasures:

The Company pays close attention to technological development, and evaluates and adopts new technologies at appropriate times. The Company also monitors industry trends and market news, evaluates how they affect the Company's operations, and makes corresponding adjustments as deemed appropriate. By adhering to rigorous financial discipline, the Company has been able to secure competitiveness in the market, and by constantly enhancing its own R&D capacity, the Company actively expands future applications of its products and is therefore able to respond to technological and industrial changes in the future. See page 163~164 of this Annual Report for additional information on information security risk management measures.

6. The impact of changes in corporate image on corporate crisis management and countermeasures:

The Company has devoted attention to core business activities since the day it was incorporated. In addition to complying with laws, the Company takes the initiative to enhance the robustness, quality, and performance of internal management practices, and in doing so maintains a positive corporate image that earns customers' trust. The Company did not encounter any change of corporate image in the last year up until the publication date of the prospectus that posed an operational crisis. However, occurrence of a corporate crisis may still cause substantial damage to the organization, which is why the Company will continue to enforce sound corporate governance as a means to minimize risks and impact.

7. Expected Benefits, Risks, and Response Measures of Planned Mergers or Acquisitions:

The Company currently has no merger or acquisition plan, but will evaluate potential merger and acquisition opportunities thoroughly after taking into consideration the synergy involved for the protection of shareholders' interests.

8. Expected Benefits, Risks, and Response Measures Associated with Plant Expansion

The Company has contracted Ruentex Construction & Engineering Co., Ltd. to construct a silica sand sifting warehouse at Yilan Dongshan Plant. After thorough and careful evaluation while taking into account the potential yield and possible risks, the Company expects the new silica sand sifting warehouse to contribute favorably to the production of silica sand for RT.MIX; furthermore, the reduction in silica sand processing costs will increase profits for the Company.

9. Risks and Response Measures Associated with Concentrated Sales or Purchases:

(1) Purchases:

Products are made from main materials including: limestone, clay, gypsum, vermiculite powder, coal, furnace slag, and gravel. As part of the raw materials procurement strategy, the Company evaluates each supplier for the quality delivered, the pricing, the timeliness of delivery, and level of cooperation. The Company currently sources supplies from a diversified group of local and foreign vendors; it strives to maintain a productive relationship with existing vendors, and is constantly searching for top-performing vendors to work with. As a principle, there shall be at least two suppliers for each raw material. The Company also maintains adequate inventory of key raw materials to cover needs in the event of force majeure or emergency. For the above reasons, the Company is not susceptible to risks of concentrated purchases or supply disruption.

(2) Sales:

Top-10 customers of the Company and subsidiaries represented 46% and 49% of revenue in 2022 and 2023, respectively, and there was no concentration of sales of any single customer. In addition to having business units maintain close contact with customers for updates on the latest performance, the Company also tries to diversify customers by looking for new customers to work with.

10. Impacts, Risks, and Response Measures Following a Major Transfer of Shareholding by Directors, Supervisors, or Shareholders with More Than 10% Ownership Interest:

There was no significant transfer of shareholding by directors, supervisors, or major shareholders with more than 10% ownership in the last year and up until the publication date of the Annual Report. For this reason, the Company expects no material adverse impact in this regard.

11. Impacts, Risks, and Response Measures Associated with a Change of Management:

The Company did not encounter any major transfer of shares in the last year up until the publication date of the Annual Report that resulted in a change of management.

12. Litigious or non-litigious events:

- (1)A. Litigation: The Company holds mining rights to Yilan Lankan Mine (reference No. Tai-Ji-Cai-Zi No. 5569) and submitted a request to the Bureau of Mine, Ministry of Economic Affairs, to change the purpose of the underlying land in accordance with the Mining Act. The Luodong Forest District Office (LFDO), Forestry Bureau, Council of Agriculture, Executive Yuan, expressed an opinion that the request failed to conform with Article 13 of the Regulations for Conservation Forest Managements, and based on LFDO's opinion, the Bureau of Mine rejected the Company's request. An appeal was raised in regards to the decision in September 2020, which the Administrative Appeals Commission ruled to maintain the existing decision. Out of disagreement with the decision, the Company filed administrative litigation with the Taipei High Administrative Court in September 2021. A ruling against the company was rendered by the court on February 29, 2024. Following the judgment being delivered to the Company on March 2024, an attorney has been retained to file an appeal with the Supreme Administrative Court, and the case is currently undergoing litigation procedures.

The Company holds lands at lot No. 933 and 935, Donghe Section, Dongshan Township, Yilan County. In May 2021, owner of neighboring land lot No. 932 filed a civil lawsuit demanding for passage through the above land, claiming seclusion as the reason. The Company did not agree to lot No. 932 owner's request because the circumstances do not conform with mandatory passage for seclusion. A court ruling was issued on March 26, 2024, which granted the proprietor of parcel 932 the right to use an 8-meter-wide road for access purposes. The Company plans to seek legal advice from their attorney after they receive the judgment, in order to consider filing an appeal to the Supreme Court.

B.Non-contentious Cases: None

(2) Major litigations, non-contentious cases, or administrative litigations involving the Company's directors, President, person-in-charge, any shareholder with more than 10% ownership interest, or any subsidiary of the Company, whether concluded or pending judgment, which may present significant impacts on shareholders' interests or securities prices: None

13. Other important risks and countermeasures: NA.

(1) Information security related risks and the control measure therefor:

A. Here at the Group, we have duly enacted the "Operating Procedures on Management over Information Security". Aiming at information storage and processing, transmission, access control, equipment security and the like, we have set up concrete management specifications to minimize potential information security risks. Such efforts well facilitate the normal operation of our information systems. In response to the management and audit over the Company's information security, we have duly worked out the Company's information security specifications along with sound managerial plans, including notably regulations for implementation and enforcement rules thereof, operating plans and penalty clauses to facilitate standardized management and audit over Internet information security.

B. Given the fact that information security insurance is still a newly emerging type of insurance involving information security level testing agencies, insurance claim identification agencies and non-claim conditions and other matching measures concerned. We, therefore, are still carrying out assessment over information security related insurance policy(ies). Here at the Company, we have duly implemented concrete risk control and management pursuant to the information security specifications. Subsequently our target is to put forth continued efforts to strengthen

information security protection to set up concerted protection mechanism, in particular the efforts to train and cultivate high-quality information security talents to upgrade their professional functions and enact relevant cultivation & training programs to carry out information security advocacy and audit operation with continued and uninterrupted efforts. In turn, we shall upgrade entire staff in their information security literacy and strengthen information security.

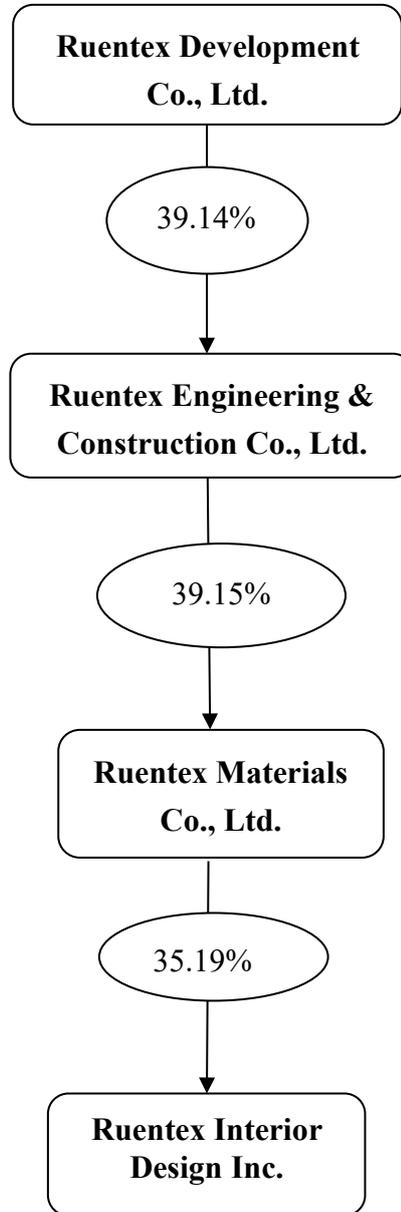
VII. Other Material Information: NA.

## Eight. Special Remarks

### I. Information of Affiliates:

#### (I) Consolidated Business Reports of Affiliates

##### 1.(1) Organization Chart of Affiliates:



##### (2) Basic Data of Affiliates:

Unit: NT\$ thousands; December 31, 2023

Affiliate	Established On	Address	Paid-in Capital	Major Business or Production
Ruentex Interior Design Inc.	November 14, 1991	11F.-1, No. 308, Sec. 2, Bade Rd., Taipei City	135,000	Interior decoration and garden design and construction, design and decoration of exhibition and fairgrounds and sales, assembly, import and export of furniture, etc.

##### (3) Data of shareholders with designated control or affiliation: NA

(4) **Businesses Covered by Affiliated Companies:** The Company and affiliated companies are jointly involved in the production and distribution of semi-finished cement products, develop/production/distribution of construction materials, production and sale of ready-mix concrete, interior decoration, and design and execution of landscaping projects.

(5) **Directors, Supervisors, and Presidents of Affiliates and their Shareholdings:**

December 31, 2023

Affiliate	Title	Name or Representative	Shareholdings	
			Shares	Shareholding percentage
Ruentex Interior Design Inc.	Chairman	Ruentex Materials Co., Ltd. Representative: Jean, Tsang-Jiunn	4,750,000	35.19%
	Director	Ruentex Materials Co., Ltd. Representative: Ho, Kai-Lin	4,750,000	35.19%
	Director	Lu, Yu-Huang	358,000	2.65%
	Director	Lin, Tsong-Chin	0	0%
	Independent Director	Lai, Kuan-Chung	0	0%
	Independent Director	Chiu, Chin-Ting	0	0%
	Independent Director	Yang, I-Tung	0	0%

## 2. Performance of Affiliates

Unit: NT\$ thousands; December 31, 2023

Affiliate	Authorized Capital	Total Assets	Total liability	Total Equity	Operation income	Operating Income	Income (Loss) this period After tax	EPS (NT\$) After Taxes
Ruentex Interior Design Inc.	135,000	1,237,519	740,358	497,161	1,521,800	174,439	148,069	10.97

(II) **Consolidated Financial Statements of Affiliated Enterprises:** Affiliated enterprises subject to the preparation of consolidated financial statements of affiliated enterprises under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises” were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Accounting Standards No. 27 for financial year 2023. All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been disclosed in the consolidated financial statements (please see Appendix 1 of the Annual Report), therefore no separate consolidated financial statements of affiliated enterprises were prepared.

(III) Relationship Report:

(1) Statement of Affiliation Report

Ruentex Materials Co., Ltd.  
Statement of Affiliation Report

The Affiliation Report for the year ended December 31, 2023 has been prepared in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises”. The information disclosed is consistent with the information disclosed in the notes to the financial statements for the aforementioned period.

Company name: Ruentex Materials Co., Ltd.

Responsible Person: Mo, Wei-Han

March 13, 2024

(2) CPA Review Report on the Affiliation Report:

Ruentex Materials Co., Ltd.

CPA Review Report on the Affiliation Report

Zi-Hui-Zong-Zi No. 23010257

Ruentex Materials Co., Ltd. To stakeholders of Ruentex Materials Co., Ltd.:

The Ruentex Materials Co., Ltd. 2023 Affiliation Report has been prepared in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises”. The financial information has been reviewed by our auditors, together with the related information disclosed in the notes to the financial statements of the aforementioned period.

Based on our review, we believe that the Ruentex Materials Co., Ltd. 2023 Affiliation Report discloses information in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises”. The financial information is consistent with the financial statements and no material modifications are required.

PwC Taiwan

Huang, Chin-Lien

CPA

Chang, Shu-Chiung

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No. 1100348083

Former Financial Supervisory Commission, Executive Yuan

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. No. 0990042602

March 13, 2024

1. Overview of the Relations Between the Subordinate Company and the Controlling Company

The Company is a subsidiary of Ruentex Engineering & Construction Co., Ltd.; below is an overview of the ultimate parent company - Ruentex Development Co., Ltd.:

Unit: Shares; %

Name of the Controlling Company	Reason for Control	Shareholding and Share Pledging of the Controlling Company			Controlling Company's Staff as Directors, Supervisors, or Managers	
		Number of shares held	Shareholding percentage	Number of Share Pledges	Title	Name
Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering & Construction)	Ruentex Engineering & Construction is the Company's largest shareholder.	58,726,917	39.15%	-	Chairman Director	Mo, Wei-Han Lee, Chih-Hung
Ruentex Development Co., Ltd. (Ruentex Development)	Ruentex Development is the largest shareholder of Ruentex Engineering & Construction.	72,397,456	39.14%	-	Chairman Director Director	Lee, Chih-Hung Chang, Kun-Long Lin, Chin-Szu

## 2. Transaction information

Transactions between the Company and its controller - Ruentex Engineering & Construction Co., Ltd.:

### (1) Purchases and Sales:

Unit: NT\$ thousands; %

Transaction Status With the Controlling Company				Transaction Conditions With the Controlling Company		General Terms and Conditions of Transaction		Reason for Difference	Accounts and Notes Receivable/Payable		Overdue Accounts Receivable			Remark
Purchase (sales)	Amount	As a Percentage of Total Purchases (sales) of Goods	Gross Profit From Sales	Unit price	Credit period	Unit price	Credit period		Balance	As a Percentage of Accounts Receivable/ Payable and Notes Receivable/ Payable	Amount	Approach to handling	Bad debt allowance	
Sale of goods	\$151,752	3.81	\$24,105	(Note 1)				Accounts receivable \$ 28,192 Notes receivable \$ 3,895	4.31 2.26	\$ -	-	\$ -	-	
Purchase of goods	-	-	-	-				Accounts payable \$ - Notes payable \$ -	- -	\$ -	-	\$ -	-	

Note 1: The price and collection terms of merchandise sold by the Company to Ruentex Engineering & Construction are not significantly different from non-related parties. For construction contracts, prices are negotiated between the two parties, whereas proceeds are collected according to contract terms.

(2) Trading of Property: No significant transactions.

(3) Financing: No significant transactions.

(4) Lease of Assets: No significant transactions.

(5) Other Significant Transactions:

(a) The Company undertakes construction works from Ruentex Engineering & Construction; as of December 31, 2023, the amount of uncompleted works and the sum of advance billings were reported at NT\$49,981 thousand and NT\$20,643 thousand, respectively.

(b) In January 2023, the Company re-signed an outsourced processing agreement directly with the parent company, in which the Company pays NT\$1,200 thousand per month plus an additional NT\$80 for every ton (or part thereof) of goods produced in excess of 3,800 tons per month. A sum of NT\$14,400 thousand was recognized as processing expenses in 2023.

(c) In August 2022, the Company entered into an outsourcing contract with Ruentex Engineering & Construction, paying NT\$ 632 thousand per month and NT\$ 80 for each metric ton (part less than one metric ton is counted as one metric ton) if the monthly production exceeds 2,000 tons. A sum of NT\$7,584 thousand was recognized as processing expenses in 2023.

### 3. Endorsements and Guarantees:

(1) As of December 31, 2023, the Company had not offered endorsements or guarantees to Ruentex Engineering & Construction.

(2) As of December 31, 2023, Ruentex Engineering & Construction had offered endorsements/guarantees totaling NT\$88,368 thousand to the Company.

### 4. Other Events with Significant Financial or Business Impact: None.

- II. Private Placements of Securities in the Previous Year and by the Date of Report Publication: NA.
- III. Stocks of this Company Held and Disposed by Subsidiaries in the Previous Year and by the Date of Report Publication: NA.
- IV. Other Required Supplementary Notes: NA.

**Nine. Occurrences Significant to Shareholders' Equity or Securities Price, as Defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, in the Last Year Up Until the Publication Date of the Annual Report:None.**

## 【 Appendix 1 】

Ruentex Materials Co., Ltd. and its subsidiaries  
Consolidated Financial Statements and Report of  
Independent Accountants  
2023 and 2022  
(Stock Code: 8463)

Company Address: 10F., No. 308, Sec. 2, Bade Rd.,  
Taipei City  
Telephone: (02) 8161-9989

Ruentex Materials Co., Ltd. and its subsidiaries

Consolidated Financial Statements and Report of Independent Accountants of 2023 and  
2022  
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Ruentex Materials Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the consolidated financial statements of the Company as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, a separate set of combined financial statements will not be prepared.

Hereby declare.

Company name: Ruentex Materials Co., Ltd.

Responsible person: Mo, Wei-Han

March 13, 2024

## Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004221

To the Board of Directors of Ruentex Materials Co., Ltd.:

### **Audit Opinions**

We have audited the consolidated balance sheets of Ruentex Materials Co., Ltd. and its subsidiaries (hereinafter referred to as “the Group”) for December 31, 2023 and December 31, 2022, the consolidated comprehensive income statements, equity statements and cash flow statements of Ruentex Group for the period from Jan. 1 to December 31, 2023 and the period from January 1 to December 31, 2022, and the notes to the consolidated financial report (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended is in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the Financial Supervisory Commission.

### **Basis of Audit Opinions**

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the section of “Responsibilities of the Accountants for the Audit of Consolidated Financial Statements” in our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidences have been obtained as a basis to express opinion of the audit.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The most significant key audit matters in our audit of the Groups' consolidated financial statements for the year ended 2023 are as follows:

## **Assessment on Recognition of Construction Contract Income - Construction Completion Progress**

### Description of Key Audit Matters

Regarding the accounting policy on operating revenue recognition, please refer to Note 4(26) of the consolidated financial report. For the critical accounting estimates and assumptions, please refer to Note 5. For the operating revenue, please refer to Note 6(16).

The Groups' construction contract income was calculated based on the percentage of completion method and according to the completion progress during the construction contract period. The construction progress was calculated based on the percentage of the cost incurred for each construction contract up to the end of the financial report period over the expected total cost for such construction contract. The aforementioned estimation of the expected total cost was provided by the Group based on its estimation on various construction costs required for contracting works and material/labor expenses, etc. according to the quantitative units of design and construction drawings, etc. of owners along with the fluctuation of the current market price at that time.

Since the estimation of construction total cost can affect the recognition of construction completion progress and the construction contract income, and since the construction total cost items are complicated and often involving high degree of estimation, such that it can cause major uncertainty, consequently, we've considered listing the assessment on the construction completion progress used in the recognition of construction contract income as one of the key matters in this year's audit.

### Corresponding Audit Procedures

We summarize the audit procedures executed for the aforementioned key audit matters related to construction completion progress as follows:

1. Based on our understanding of the business operation and nature of industry of the Group, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of design and construction drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expense) and the consistency of the estimation method.
2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.

4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.

## **Other Matters- Unconsolidated Financial Report**

We have audited and expressed an unqualified opinion on the unconsolidated financial statements of Ruentex Materials Co., Ltd. as of and for the year ended December 31, 2023 and 2022.

## **Responsibilities of the Management and Governing Bodies for Consolidated Financial Statements**

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIS Interpretations, and SIC Interpretations as endorsed and issued by the Financial Supervisory Commission and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Group'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 Group's 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 Group's financial reporting process.

## **Responsibilities of the Accountants for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. 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 consolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. Also:

1. We identify and assess the risks of material misstatement of consolidated 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 opinions. 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 Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made at the management level.
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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
5. We evaluate the overall presentation, structure and content of the consolidated financial statements, including the related disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, overseeing and executing audit of the Group, and forming the audit opinion for the Group.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters, including relevant protective measure, that may be considered to affect the independence of auditors.

From matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements of 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude 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.

PwC Taiwan

Huang, Chin-Lien

Certified Public Accountant

Chang, Shu-Chiung

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No.  
1100348083

Former Financial Supervisory Commission, Executive Yuan

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No.  
0990042602

March 13, 2024

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 300,262	4	\$ 652,743	9
1136	Financial assets measured by amortized cost - current		-	-	75,000	1
1140	Contract asset - current	6(16) and 7	377,737	5	412,673	6
1150	Net notes receivable	6(2)	168,487	2	162,304	2
1160	Notes receivable - related parties - net	6(2) and 7	5,503	-	402	-
1170	Net accounts receivable	6(2)	869,557	12	678,088	9
1180	Accounts receivable - related parties - net	6(2) and 7	248,002	3	78,537	1
1200	Other receivables		4,286	-	573	-
1220	Current tax assets		87	-	6,093	-
130X	Inventories	6(3)	732,818	10	703,318	10
1410	Prepayments		37,708	1	22,375	-
1470	Other current assets	6(1) and 8	16,966	-	28,742	-
11XX	<b>Total current assets</b>		<u>2,761,413</u>	<u>37</u>	<u>2,820,848</u>	<u>38</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(4) and 7	638,199	9	645,023	9
1600	Property, plant, and equipment	6(5), 7 and 8	3,671,253	50	3,546,898	48
1755	Right-of-use assets	6(6)	31,851	-	43,386	1
1780	Intangible assets	6(7)	170,274	2	173,310	2
1840	Deferred tax assets	6(24)	32,286	-	31,726	-
1900	Other non-current assets	6(1) and 8	116,346	2	150,294	2
15XX	<b>Total non-current assets</b>		<u>4,660,209</u>	<u>63</u>	<u>4,590,637</u>	<u>62</u>
1XXX	<b>Total Assets</b>		<u>\$ 7,421,622</u>	<u>100</u>	<u>\$ 7,411,485</u>	<u>100</u>

(Continued)

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(8) and 8	\$ 750,000	10	\$ 950,000	13
2110	Short-term notes and bills payable	6(9)	269,936	4	309,832	4
2130	Contract liabilities - current	6(16) and 7	50,352	1	32,721	1
2150	Notes payable		136,577	2	104,127	1
2160	Notes payable - related party	7	721	-	1,864	-
2170	Accounts payable		740,487	10	628,697	9
2180	Accounts payable - related party	7	2,058	-	1,842	-
2200	Other payables	6(10)	239,815	3	213,582	3
2220	Other payable - related party	7	618	-	498	-
2230	Income tax liabilities of current period		43,489	-	24,509	-
2280	Lease liabilities - current	6(6)	20,174	-	18,494	-
2320	Long-term liabilities due within one year or one operating cycle	6(11) and 8	-	-	550,000	7
2399	Other current liabilities - other		4,481	-	5,160	-
21XX	<b>Total current liabilities</b>		<u>2,258,708</u>	<u>30</u>	<u>2,841,326</u>	<u>38</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(11) and 8	2,500,000	34	2,000,000	27
2570	Deferred tax liabilities	6(24)	3,436	-	3,637	-
2580	Lease liabilities - non-current	6(6)	17,973	-	29,483	-
2600	Other non-current liabilities	6(12)	38,056	1	37,139	1
25XX	<b>Total non-current liabilities</b>		<u>2,559,465</u>	<u>35</u>	<u>2,070,259</u>	<u>28</u>
2XXX	<b>Total Liabilities</b>		<u>4,818,173</u>	<u>65</u>	<u>4,911,585</u>	<u>66</u>
<b>Equity</b>						
<b>Equity attributed to owners of the parent</b>						
	Capital	6(13)				
3110	Share capital		1,500,000	20	1,500,000	20
	Capital surplus	6(14)				
3200	Capital surplus		677,124	9	711,624	10
	Retained earnings	6(15)				
3310	Legal reserve		50,770	1	46,925	1
3320	Special reserve		50,317	1	15,717	-
3350	Undistributed earnings		114,756	2	38,445	-
	Other equities					
3400	Other equities		(111,752)	(2)	(106,174)	(1)
31XX	<b>Total equity attributable to owners of parent</b>		<u>2,281,215</u>	<u>31</u>	<u>2,206,537</u>	<u>30</u>
36XX	<b>Non-controlling interest</b>	4(3)	<u>322,234</u>	<u>4</u>	<u>293,363</u>	<u>4</u>
3XXX	<b>Total Equity</b>		<u>2,603,449</u>	<u>35</u>	<u>2,499,900</u>	<u>34</u>
	Significant contingent liabilities and unrecognized commitments	9				
	Significant subsequent events	11				
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 7,421,622</u>	<u>100</u>	<u>\$ 7,411,485</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements, please refer to them all.

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands  
(Except earnings per share, which is in NT\$)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operation Income	6(16) and 7	\$ 5,500,872	100	\$ 4,249,175	100
5000	Operation Cost	6(3)(7) (12)(17) (22) (23) and 7	( 4,875,858)	( 89)	( 3,830,152)	( 90)
5900	Gross Profit		<u>625,014</u>	<u>11</u>	<u>419,023</u>	<u>10</u>
	Operating Expenses	6(7)(12) (22) (23) and 7				
6100	Selling expenses		( 96,589)	( 2)	( 78,727)	( 2)
6200	General & administrative expenses		( 180,266)	( 3)	( 164,150)	( 4)
6300	R&D expenses		( 54,234)	( 1)	( 40,217)	( 1)
6450	Expected credit impairment (losses) gains	12(2)	( 3,617)	-	335	-
6000	Total Operating Expenses		<u>( 334,706)</u>	<u>( 6)</u>	<u>( 282,759)</u>	<u>( 7)</u>
6900	Operating Profit		<u>290,308</u>	<u>5</u>	<u>136,264</u>	<u>3</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(18)	3,843	-	2,424	-
7010	Other income	6(19)	27,260	1	37,224	1
7020	Other gains and losses	6(20)	( 2,697)	-	1,063	-
7050	Financial Costs	6(21)	( 64,286)	( 1)	( 40,654)	( 1)
7000	Total non-operating income and expenses		<u>( 35,880)</u>	<u>-</u>	<u>57</u>	<u>-</u>
7900	<b>Net profit before tax</b>		<u>254,428</u>	<u>5</u>	<u>136,321</u>	<u>3</u>
7950	Income tax expense	6(24)	( 43,474)	( 1)	( 33,334)	( 1)
8200	<b>Net income of current period</b>		<u>\$ 210,954</u>	<u>4</u>	<u>\$ 102,987</u>	<u>2</u>
	<b>Other comprehensive income (net) Items not to be reclassified into profit or loss</b>					
8311	Remeasurement of defined benefit plans	6(12)	(\$ 809)	-	\$ 1,196	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(4)	( 6,824)	-	( 91,065)	( 2)
8349	Income tax relating to non-reclassified items	6(24)	353	-	( 1,686)	-
8310	Total of items not to be reclassified into profit or loss		<u>( 7,280)</u>	<u>-</u>	<u>( 91,555)</u>	<u>( 2)</u>
8500	<b>Total comprehensive income for the current period</b>		<u>\$ 203,674</u>	<u>4</u>	<u>\$ 11,432</u>	<u>-</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 114,983</u>	<u>2</u>	<u>\$ 38,108</u>	<u>1</u>
8620	Non-controlling Interest		<u>\$ 95,971</u>	<u>2</u>	<u>\$ 64,879</u>	<u>1</u>
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent		<u>\$ 109,178</u>	<u>2</u>	<u>(\$ 52,996)</u>	<u>( 2)</u>
8720	Non-controlling Interest		<u>\$ 94,496</u>	<u>2</u>	<u>\$ 64,428</u>	<u>2</u>
	Earnings per share	6(26)				
9750	Basic earnings per share		<u>\$ 0.77</u>		<u>\$ 0.25</u>	
9850	Diluted earnings per share		<u>\$ 0.77</u>		<u>\$ 0.25</u>	

The The accompanying notes are an integral part of these consolidated financial statements, please refer to them all.

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated statement of changes in Equity  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Equity attributed to owners of the parent											
	Notes	Share capital	Capital surplus		Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired	Total	Non-controlling Interest	Total Equity	
			Issued at premium	Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Legal reserve	Special reserve					Undistributed earnings
<u>2022</u>												
Balance on January 1, 2022		\$ 1,500,000	\$ 656,157	\$ -	\$ 40,391	\$ 121,605	\$ 44,086	(\$ 103,049)	(\$ 15,717)	\$ 2,243,473	\$ 256,335	\$ 2,499,808
Net income of current period		-	-	-	-	-	-	38,108	-	38,108	64,879	102,987
Other comprehensive income		-	-	-	-	-	-	337	( 91,441 )	( 91,104 )	( 451 )	( 91,555 )
Total Comprehensive Income Current Period		-	-	-	-	-	-	38,445	( 91,441 )	( 52,996 )	64,428	11,432
Profit reversed as special reserve	6(15)	-	-	-	-	-	-	28,369	-	-	-	-
Deficit offset by legal reserve	6(15)	-	-	-	-	( 74,680 )	-	74,680	-	-	-	-
Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	6(25)	-	-	15,076	-	-	-	-	984	16,060	13,850	29,910
Cash dividends for non-controlling interests		-	-	-	-	-	-	-	-	-	( 41,250 )	( 41,250 )
Balance on December 31, 2022		\$ 1,500,000	\$ 656,157	\$ 15,076	\$ 40,391	\$ 46,925	\$ 15,717	\$ 38,445	(\$ 106,174)	\$ 2,206,537	\$ 293,363	\$ 2,499,900
<u>2023</u>												
Balance on January 1, 2023		\$ 1,500,000	\$ 656,157	\$ 15,076	\$ 40,391	\$ 46,925	\$ 15,717	\$ 38,445	(\$ 106,174)	\$ 2,206,537	\$ 293,363	\$ 2,499,900
Net income of current period		-	-	-	-	-	-	114,983	-	114,983	95,971	210,954
Other comprehensive income		-	-	-	-	-	-	( 227 )	( 5,578 )	( 5,805 )	( 1,475 )	( 7,280 )
Total Comprehensive Income Current Period		-	-	-	-	-	-	114,756	( 5,578 )	109,178	94,496	203,674
Appropriation and distribution of the earnings for 2022:	6(15)											
Profit set aside as legal reserve		-	-	-	-	3,845	-	( 3,845 )	-	-	-	-
Provision of special reserves		-	-	-	-	-	34,600	( 34,600 )	-	-	-	-
Distribution of cash dividends from capital surplus	6(15)	-	( 34,500 )	-	-	-	-	-	-	( 34,500 )	-	( 34,500 )
Cash dividends for non-controlling interests		-	-	-	-	-	-	-	-	-	( 65,625 )	( 65,625 )
Balance on December 31, 2023		\$ 1,500,000	\$ 621,657	\$ 15,076	\$ 40,391	\$ 50,770	\$ 50,317	\$ 114,756	(\$ 111,752)	\$ 2,281,215	\$ 322,234	\$ 2,603,449

The accompanying notes are an integral part of these consolidated financial statements, please refer to them all.

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023		2022
<u>Cash flows from operating activities</u>				
Profit before Income Tax current period		\$ 254,428	\$	136,321
Adjustments				
Income and expenses with no cash flow effects				
Depreciation expense	6(5)(6) (22)	245,189		219,574
Depreciation and amortization expenses	6(7)(22)	8,560		9,676
Expected credit impairment (losses) gains	12(2)	3,617	(	335)
Interest Cost	6(21)	64,286		40,654
Interest revenue	6(18)	3,843	(	2,424)
Dividend income	6(19)	19,597	(	31,472)
Provisions transferred to other income	6(19)	1,680	(	1,580)
Gains on write-off of accounts payable past due	6(19)	748	(	25)
Other payables transferred to other income	6(19)	52	(	-
Gains on lease modifications	6(6)(20)	-	(	175)
Changes in assets/liabilities relating to operating activities				
Net changes in assets relating to operating activities				
Contract asset - current		34,936	(	228,000)
Notes receivable		6,183	(	49,113)
Notes receivable - related parties		5,101	(	7,156)
Accounts receivable		195,086	(	233,487)
Account receivable - related party		169,465	(	27,930)
Other receivables		4,046	(	70)
Inventories		29,500	(	143,363)
Prepayments		15,333	(	10,350)
Other current assets		-	(	4)
Net change in liabilities related to operating activities				
Contract liabilities		17,631	(	8,923)
Notes payable		32,450	(	26,523)
Notes payable - related party		1,143	(	1,571)
Accounts payable		112,538		207,193
Accounts payable - related party		216		694
Other payables		45,257		33,004
Other payable - related party		120		301
Other current liabilities		1,001	(	26)
Other non-current liabilities		129	(	142)
Cash inflow (outflow) from operations		368,581	(	86,958)
Interest received		4,176		2,019
Dividends received		19,597		31,472
Interest paid		64,282	(	39,847)
Income tax paid		24,902	(	2,583)
Income tax refunded		6,006		2,685
Net cash inflow (outflow) from operating activities		309,176	(	93,212)

(Continued)

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets measured at amortized costs - current		(\$ 360)	(\$ 75,000)
Disposal of financial assets measured at amortized costs - current		75,360	-
Acquisition of financial assets at fair value through other comprehensive income	6(27)	-	( 441,873 )
Decrease in other financial assets - current		11,776	42,037
Real estate, plant and equipment acquired	6(27)	( 323,424 )	( 262,977 )
Acquisition of intangible assets	6(7)	( 5,524 )	( 24,277 )
Increase in prepayments for equipment		( 15,582 )	( 47,839 )
Increase in other financial assets - current		( 37 )	( 91,819 )
Decrease (increase) in refundable deposits		( 343 )	503
Cash used in investing activities		( 258,134 )	( 901,245 )
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(28)	( 200,000 )	950,000
Increase (decrease) in short-term notes and bills payable	6(28)	( 40,000 )	70,000
Proceeds from long-term borrowings	6(28)	1,200,000	530,000
Repayments of long-term borrowings	6(28)	( 1,250,000 )	( 480,000 )
Principal elements of lease payments	6(28)	( 13,377 )	( 22,059 )
Decrease in guarantee deposits received	6(28)	( 21 )	-
Cash dividends paid	6(15)	( 34,500 )	-
Disposal of equity in subsidiaries (without losing control)	4(3) and 6(25)	-	29,910
Changes in non-controlling interest		( 65,625 )	( 41,250 )
Net cash generated from (used in) financing activities		( 403,523 )	1,036,601
Increase (decrease) of cash and cash equivalents – current period		( 352,481 )	42,144
Cash and cash equivalents, beginning of period		652,743	610,599
Cash and cash equivalents, end of period		<u>\$ 300,262</u>	<u>\$ 652,743</u>

The accompanying notes are an integral part of these consolidated financial statements, please refer to them all.

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and its subsidiaries  
Notes to Consolidated Financial Statements  
2023 and 2022

Unit: NT\$ thousands  
(Except as Otherwise Indicated)

I. History and Organization

Ruentex Materials Co., Ltd. (hereinafter referred to as the “Company”), was incorporated in September 1992 under the laws of the Republic of China (ROC) and began operations in July 2009. It was formerly known as “Ruentex Cement Co., Ltd.”. In December 2013, the Company changed its name to “Ruentex Materials Co., Ltd.”. The main businesses of the Company and subsidiaries (hereinafter referred to as “the Group”) are (1) The manufacture and distribution of semi-finished products and manufactured goods for cement, (2) The mining, manufacturing, and distribution of cement raw materials and mining and distribution of mineral ore, (3) Quarrying, (4) Building materials development, manufacture, and distribution, (5) Manufacture and sale of clay used for wall primer, powder coating material, tile adhesive, self-leveling cement, and dry-mixed cement mortar applications, (6) Interior decoration design and construction and garden greening design business, (7) Design and decoration of exhibition and expo venues, and (8) The sales, assembly, and import-export of furniture. Ruentex Engineering & Construction Co., Ltd. holds 39.15% equity of the Company. Ruentex Development Co., Ltd. is the ultimate parent company of the Group. The Company has been listed for trading on the Taipei Stock Exchange (TWSE) since July 13, 2015.

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were authorized for issuance by the Company’s board of directors on March 13, 2024.

III. Application of New, Amended and Revised Standards and Interpretations

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed and issued by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed and issued by FSC effective from 2022 are as follows:

	Effective date published by the International Accounting Standards Board
<u>New and revised standards, amendments to standards and interpretations</u>	
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 - “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023

Amendments to IAS 12 “International tax reform - Pillar Two model rules”

May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and operating result based on the Group’s assessment.

(II) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed by FSC

New standards, interpretations and amendments endorsed by FSC effective from 2024 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and operating result based on the Group’s assessment.

(III) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
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 the International Accounting Standards Board (IASB)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS No. 21 “Lack of Convertibility”	January 1, 2025

The above standards and interpretations have no significant impact to the Group’s financial condition and operating result based on the Group’s assessment.

#### IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (I) Compliance statement

The consolidated financial statements have been prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the FSC (collectively referred herein as the “IFRSs”).

##### (II) Basis of preparation

1. Except the following material items, these consolidated financial statements have been prepared under the historical cost convention:
  - (1) Financial assets at fair value through other comprehensive income.
  - (2) Defined benefit liabilities recognized based on the net amount of pension fund Assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

##### (III) Basis of consolidation

1. Basis for preparation of consolidated financial statements
  - (1) The Group has included all subsidiaries in the entities for the preparation of consolidated financial statements. Subsidiaries are all entities (including structural entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
  - (2) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
  - (3) Profit or loss and each component of other comprehensive income are attributed to the

owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if these results in the non-controlling interests having a deficit balance.

- (4) Changes in parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. The Company recognizes directly in equity any difference between the adjusted amount of non-controlling equity and the fair value of the consideration paid or received.

2. Subsidiaries included in the consolidated financial statements:

<u>Name of the investing company</u>	<u>Name of subsidiary</u>	<u>Business nature</u>	<u>Percentage of Ownership</u>		<u>Description Note</u>
			<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Interior Design)	Interior decoration design and construction and garden greening design	35.19	35.19	

Note: 1. On June 8, 2022 the Company's Board of Directors approved the provision of 500 thousand shares of Ruentex Interior Design on July 19, 2022 for subscription by securities advisors-cum-underwriters. The selling price per share was NT\$60, and the proceeds (less the securities exchange tax) totaled NT\$29,910. The Company's shareholding decreased to 35.19%, and it was recognized in capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries in an amount of NT\$15,076. Please see Note 6(25) for details on transactions with non-controlling interests.

2. Though the Company does not own more than 50% of the voting rights directly or indirectly, but meets the requirement of controlling capability, and thus it is included in the consolidated entity.

3. Subsidiaries not included in the consolidated financial statements: None.

4. Adjustments for subsidiaries with different balance sheet dates: None.

5. Significant restrictions: None.

6. Subsidiaries that have non-controlling interests that are material to the Group:

<u>Name of subsidiary</u>	<u>Principal Place of Business</u>	<u>Non-controlling Interest</u>			
		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		<u>Amount</u>	<u>Percentage shareholding</u>	<u>Amount</u>	<u>Percentage shareholding</u>
Ruentex Interior Taiwan Design		\$322,234	64.81%	\$293,363	64.81%

Summary of subsidiaries' financial information:

Balance Sheets

	<u>Ruentex Interior Design</u>	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current Assets	\$ 1,038,871	\$ 853,182
Non-current assets	198,648	199,922
Current liabilities	( 706,915)	( 562,892)
Non-current liabilities	( 33,443)	( 37,595)
Total net assets	<u>\$ 497,161</u>	<u>\$ 452,617</u>

Statements of Comprehensive Income

	<u>Ruentex Interior Design</u>	
	<u>2023</u>	<u>2022</u>
Income	\$ 1,521,800	\$ 1,062,793
Net profit before tax	183,805	128,042
Income tax expense	( 35,736)	( 24,759)
Net profit for the period of the continued business unit	148,069	103,283
Other comprehensive income (Net of tax)	( 2,275)	( 2,085)
Total Comprehensive Income Current Period	<u>\$ 145,794</u>	<u>\$ 101,198</u>
Total comprehensive income attributed to non-controlling interest	<u>\$ 94,496</u>	<u>\$ 64,428</u>
Dividends paid to non-controlling interest	<u>\$ 65,625</u>	<u>\$ 41,250</u>

## Statements of Cash Flows

	Ruentex Interior Design	
	2023	2022
Net cash generated from (used in) operating activities	(\$ 3,003)	\$ 95,616
Net cash inflows (outflows) from investing activities	74,818	( 156,496)
Cash used in financing activities	( 109,070)	( 74,686)
Decrease of cash and cash equivalents current period	( 37,255)	( 135,566)
Cash and cash equivalents, beginning of period	220,172	355,738
Cash and cash equivalents, end of period	\$ 182,917	\$ 220,172

(IV) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "New Taiwan dollars", which is the Company's functional currency.

Foreign currency translation and balances

1. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
2. Monetary Assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
3. Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date. Their translation differences are recognized in other comprehensive income. However, non-monetary Assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
4. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(V) Classification of Current and non-Current items

1. Assets that meet one of the following criteria are classified as Current Assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Assets that are expected to be realized within 12 months from the balance sheet date;
- (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.

Assets that do not meet the above criteria are classified as non-current assets.

2. Liabilities that meet one of the following criteria are classified as Current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Liabilities that are to be settled within 12 months from the balance sheet date;
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Liabilities that do not meet the above criteria are classified as non-current liabilities by the Group.

3. The operating cycles of construction contracts are usually longer than one year, so assets and liabilities in relation to long-term construction contracts are classified as current or non-current according to the length of their operating cycles.

(VI) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial Assets at fair value through other comprehensive income acquired

1. It refers to an irrevocable choice made during the initial recognition, and the fair value change of the equity tool investment not held for trading is listed in the other comprehensive income.
2. On a regular way purchase or sale basis, financial assets at fair value through comprehensive income are recognized and derecognized using trade date accounting.
3. These financial assets are initially recognized at fair value plus transaction costs and subsequently remeasured and stated at fair value:

The fair value change of equity tool is recognized under the other comprehensive income, and during the derecognition, the cumulative profit or loss previously recognized under the other comprehensive income should not be re-categorized into income, but should be listed under the retained earnings. When the right for dividend receipt is confirmed, the economic benefit related to the dividend may be received as income, and when the dividend amount can be reliably measured, the Group then recognizes it as dividend income.

(VIII) Financial assets at amortised cost

1. Refer to financial Assets satisfying the following criteria at the same time:
  - (1) Financial Assets held under the operating model for the purpose of receiving contractual cash flows.
  - (2) Where contract terms of such financial Assets generated cash flow of specific date, and it is completely for the payment of the interest of principle and external circulating principle amount.
2. On a regular way purchase or sale basis, the Group recognizes or derecognizes financial assets at amortized cost by using trade date accounting.
3. During the initial recognition the Group calculated the transaction cost measurement at fair value, and subsequently adopted the effective interest rate method to recognize the interest income according to the amortization procedure during the circulation period, and to recognize the impairment loss. In addition, during the derecognition, the gain or loss was recognized in the income or loss.
4. The Group holds time deposits that do not meet the definition of cash equivalents. With the short-term nature, the effect of discounting is not significant, so they are measured as investment.

(IX) Notes and accounts receivable

1. Refer to accounts and notes to be received due to transfer of commodities or labors already performed unconditionally in exchange for the right for consideration amount according to the contract terms.
2. Short-term notes and accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(X) Impairment of financial assets

The Group assesses the financial assets at amortized cost at each balance sheet date, and after considering all reasonable and evidentiary information (including prospective information), measure the loss allowance according to the 12-month expected credit loss for the financial assets without significant increase of credit risk after the initial recognition. For the financial assets with credit risk already increased significantly after the initial recognition, loss allowance is measured according to the expected credit loss amount during the existence period. For the

accounts receivable or contract assets without material financial composition, the loss allowance is measured according to the expected credit loss during the existence period.

(XI) Derecognition of financial assets

The Group derecognizes a financial asset when its contractual rights to receive cash flows from the financial asset expire.

(XII) Lease transactions of lessor - operating lease

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XIII) Inventories

The perpetual inventory system is adopted. The inventory is measured based on the cost and net realizable value, whichever is lower, and determined using the weighted average approach. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (amortized based on normal productivity) but does not include borrowing costs. Comparing the cost and the net realizable value to see which is lower, the item-by-item comparison approach is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(XIV) Property, plant, and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the interest is capitalized over the acquisition and construction period.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of real estate, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly,

any change is accounted for as a change in estimate under IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors”, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings 2 - 50 years

Machine equipment 2 - 25 years

Transportation equipment 2 - 5 years

Office equipment 3 - 5 years

Lease of assets for 3 - 6 years

Miscellaneous equipment 2 - 10 years

(XV) Lessees’ lease transactions - right-of-use assets/lease liabilities

1. The lease assets are recognized as the right-of-use assets and lease liabilities on the date availed to the Group. If the lease contracts are short-term lease or low-value underlying asset lease, the lease payments are recognized as expenses during the lease terms with the straight line method.
2. From the starting date of lease, the lease liabilities are recognized at the current values of the unpaid lease payments discounted with the Group’s incremental lending rate; the lease payments include the fixed payments deducting the receivable lease incentives. Subsequently, they are measured at the amortized costs based on the interest method, and recognized as the interest expenses during the lease terms. Shall the lease terms or lease payments change due to the non-contractual modifications, the lease liabilities will be measured again, and the re-measurements will be used to adjust the right-of-use assets.
3. The right-of-use assets are recognized as the costs on the starting date of leases. The costs include the original measured amount of the lease liabilities. Subsequently, they are measured at the costs; the depreciation expenses are recognized at the end of useful lives, or the expiry of the lease terms, whichever is earlier. Shall the lease liabilities be reassessed, the right-of-use assets will adjust any re-measurement of the lease liabilities.
4. For lease modifications that reduce the scope of a lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognize the difference between the reduced carrying amount and the remeasurements of the lease liabilities in the profit or loss.

(XVI) Intangible assets

1. Mineral rights

Based on expected number of units the mineral resource should produce, depreciation is calculated using the unit of production method. If there is any change to the expected production units, the depreciation per unit is recalculated using the assets’ carrying amount,

and the depreciation recognized in the prior years is not restated.

2. Trademark, patent rights and service concession

Trademark, patent rights and service concession are stated as acquisition cost and amortized on a straight line basis with useful lives of 10 years.

3. Computer software

Computer software is stated at acquisition cost and amortized on a straight line basis with useful lives of 3~5 years.

4. Intangible assets generated internally - expenses of R&D

(1) R&D expenses are recognized as the expenses of the current term when occur.

(2) The R&D expenses disqualified from the following criteria are recognized as the expenses of the current term; the R&D expenses qualified with the following criteria are recognized as intangible assets:

A. The technical feasibility of being intangible assets has been achieved, so that the intangible asset may be used or sold;

B. Intention to complete the intangible assets for use or sale;

C. Capability to use or sell the intangible assets;

D. The likely perspective economic benefits of the concerned intangible assets may be proved;

E. Sufficient technical, financial, and other resources to complete the developments are in place, to use or sell the intangible assets;

F. The expenses attributed to the intangible assets during the development may be measured reliably.

(3) The intangible assets generated internally - the grouting materials for offshore wind power generation - are amortized on a straight-line basis over their estimated useful lives of 5 years after they have reached the state of use.

(XVII) Impairment of non-financial Assets

The Group assesses at each balance sheet date the recoverable amounts of those Assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XVIII) Loans

Refer to long-term, short-term borrowings from banks and other long-term, short-term loans. During the initial recognition, the Group measures according to the fair value with deduction of transaction cost. Subsequently, for any difference between the amount after the deduction of transaction cost and the redemption value, the effective interest method is adopted to recognize the interest expense in the profit or loss according to amortized procedure during the circulation period.

(XIX) Notes and accounts payable

1. Debt arising from purchase of raw materials, goods or services and notes payable arising from ordinary course of business or non-business related matters.
2. For short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(XX) Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the contract's obligations are discharged, cancelled, or expired.

(XXI) Provisions

Provisions for warranty are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. Provisions are not recognized for future operating losses.

(XXII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pensions

(1) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future

payments.

(2) Defined benefit plans

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in Current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan Assets, together with adjustments for unrecognized past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (on the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

B. Remeasurement arising on defined benefit plans is recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

3. Termination benefits

Termination benefits are benefits paid to employees when their employment has been terminated prior to their ordinary date of retirement or for acceptance of termination of employment. Termination benefits are recognized when the Group can no longer withdraw the offer of the benefit or when the Group recognizes costs for a restructuring, whichever is earlier. Benefits that are not expected to be settled wholly before twelve months after the end of the balance sheet date should be discounted.

4. Remuneration to employee

Employees' compensation are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXIII) Income tax

1. The income tax expense for the period comprises Current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group

operates and generates taxable income. The management assesses the status of income tax declaration according to relevant applicable income tax laws, and shall pay the income tax liability estimated to the taxation agency according to the expectation under applicable status. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings in a shareholders' meeting of the following year.

3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. The deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not generate equivalent taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax Assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax Assets are reassessed.
5. Current income tax Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax Assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset Current tax Assets against Current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. Tax credits resulting from research and development expenditures are treated with accounting for income tax credits.

#### (XXIV) Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

#### (XXV) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

#### (XXVI) Revenue recognition

##### 1. Revenues from product Sales

- (1) For the cement and building material related products manufactured and sold by the Group, the income from sale of goods is recognized when the control of goods is transferred to customers, i.e. when the goods are delivered to the customer. In addition, the Group has no unfulfilled obligations that may affect the customer from accepting the goods. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is objective evidence proving that all acceptable standards have been satisfied, which occurs when the goods is delivered to the customer.
- (2) Accounts receivable is recognized when goods are delivered to customers since starting from such time of delivery, the Group has the unconditional right on the contract price, and the Group can receive the consideration from the customer after time has passed.
- (3) Financial component  
Since the period from the time when contracts are signed between the Group and customers, the goods or services are promised to be transferred to customers to the time when the payments are made by customers have not exceeded one year, consequently, the Group has not adjusted the transaction price to reflect the currency time value.
- (4) There is a customer loyalty plan managed by the Group for its distribution customers. At the end of every year, reward points will be given to distribution customers based on the year's transaction amount for the year. Distribution customers have the rights to redeem the reward points for a fixed percentage of the price when they obtain products in the future. The reward point is an important right that cannot be obtained if a customer has not made any initial transaction; therefore, the reward point provided to customers is a single contract performance obligation. The transaction price is appropriated to the goods and reward point

based on the relative independent sales price. The independent sales price of reward point is estimated according to the discount obtained by the customer and the possibility of exchange of points based on the past experience. The basis for calculating single sales prices of products is the contract price. The transaction price allocated to reward points is recognized as contract liabilities until the customer redeems the points or when the points have expired, then it will be transferred to revenue.

## 2. Construction contract income, labor service contract income and repair income

- (1) Due to the performance of the contract by the Group to create or enhance an asset, the asset is controlled by the customer at the time of creation or enhancement, so it is a type of revenue that is recognized as the performance obligation is gradually satisfied over time. Revenue from renovations is recognized as income on a lump sum after the completion of the project because the construction period is less than three months. If the project exceeds three months, it is treated as construction contract income, and is recognized as income based on the degree of completion of the contract during the contract period using the percentage of completion method. Since labor service does not create assets for the Group for other purposes, and the Group has an enforceable right to the proceeds from performance completed so far, it is a type of revenue recognized as the performance obligation is gradually satisfied over time.
- (2) The construction contracts, labor services, and repairs undertaken by the Group are recognized as revenue using the percentage of completion method according to the level of completion of the contract during the contract period. Contract costs are recognized as expenses in the period in which they are incurred. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. In addition, when the total contract cost is likely to exceed the total contract revenue, the expected loss is recognized as an expense immediately. When the results of the contracting contracts may not be able to be used to reasonably measure the results of the performance obligations, but the Group expects to recover the incurred costs when the performance obligations are fulfilled, the Group will only recognize the contracts in revenue within the scope of the incurred costs before the results of the performance obligations can be measured.
- (3) The Group's estimations for revenue, costs, and stage of completion are adjusted accordingly. Any variation of estimated revenue or costs arising from change of estimations is reflected in profit or loss in the period when the condition for change of estimation is made known to the management.

- (4) The variable consideration arising from performance bonuses, penalties or claims that could result in variation of total contract price is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future.
- (5) Retention money mandated in the construction contract should be paid after acceptance of construction by the customers. The retention money receivable is a form of protection for its customers in the event that the counter-party does not perform parts or all obligations properly, and thus does not contain any significant financing component.
- (6) The excess of receivables from customers on construction contracts, that is, the cumulative costs incurred plus recognized profits (less recognized losses) over the progress billings on each construction contract is presented as a contract asset. While the excess of the progress billings over the cumulative costs incurred plus, recognized profits (less recognized losses) on each construction contract is presented as a contract liability.

(XXVII) Government grants

Government grants are recognized at fair value when there is reasonable assurance that an enterprise will comply with the conditions attached to the government grants and will receive the grant. If the nature of the government grant is to compensate the expenses incurred by the Group, such grant shall be recognized as the current profit or loss on a systematic basis during the period in which such expenses are incurred.

(XXVIII) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for the allocation of resources to operating segments and the evaluation of their performance. The Board of Directors is identified as the Chief Operating Decision-Maker of the Group.

V. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of Assets and liabilities within the next financial year. The critical accounting judgments, estimates and key sources of assumption uncertainty is addressed as follows:

(I) Critical judgments in applying the Company accounting policies

None.

(II) Critical accounting estimates and assumptions

Revenue recognition

Construction contract revenue should be recognized by reference to the stage of completion in the contract period using the percentage of completion method. Contract costs are recognized in the incurred period. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 260	\$ 260
Checking deposits	27,275	188,244
Demand deposits	83,929	48,720
Time deposits	50,585	75,139
Cash equivalents - Bonds under repurchase agreements	138,213	340,380
	<u>\$ 300,262</u>	<u>\$ 652,743</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group's restricted cash and cash equivalents on December 31, 2023 and 2022 due to guarantees for the performance of contracts were NT\$108,816 and NT\$120,555, respectively, of which NT\$16,960 and NT\$28,736 were classified as other financial assets, current (recognized in "other current assets") and NT\$91,856 and NT\$91,819 were classified as other financial assets, non-current (recognized in "other non-current assets"). Please refer to Note 8.

(II) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 168,487	\$ 162,304
Notes receivable – related party	5,503	402
	<u>\$ 173,990</u>	<u>\$ 162,706</u>
Accounts receivable	\$ 876,701	\$ 681,615

Less: Allowance for loss	(	<u>7,144</u>	(	<u>3,527</u> )
Subtotal		869,557		678,088
Accounts receivable - related party		<u>248,002</u>		<u>78,537</u>
	\$	<u>1,117,559</u>	\$	<u>756,625</u>

1. The Company issues the invoice and bill of lading when taking the customer's order, debits accounts receivable and credits advance sales receipt (the "contract liability-current" account). When it receives notes issued by the customer, the amount is then transferred to notes receivable from accounts receivable. Based on demand quantity, the customer pick up the cement in batches, and the actual sales amount is then transferred from advance sales receipt to revenue. To prevent inflated assets and liabilities, the notes and accounts receivable and advance sales receipts related to undelivered cement are offset by each other and presented in net values. As of December 31, 2023 and 2022, the amounts were NT\$112,165 and NT\$123,081.
2. The aging analysis of accounts receivable (including related parties) and notes receivable (including related parties) is as follows:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 1,119,074	\$ 173,990	\$ 755,382	\$ 162,706
Overdue				
Within 30 days	2,338	-	1,519	-
31-60 days	130	-	480	-
61-90 days	75	-	73	-
91 days and more	<u>3,086</u>	<u>-</u>	<u>2,698</u>	<u>-</u>
	<u>\$ 1,124,703</u>	<u>\$ 173,990</u>	<u>\$ 760,152</u>	<u>\$ 162,706</u>

The aging analysis was based on past due date.

3. The balances of the notes receivable and receivables as of December 31, 2023 and 2022 were incurred by the clients' contracts; also as of January 1, 2022, the balances of the notes receivable and receivables were NT\$120,749 and NT\$494,873, respectively.
4. The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$173,990 and NT\$162,706 for notes receivable as of December 31, 2023 and 2022, respectively; the accounts receivable were NT\$1,117,559 and NT\$756,625 as of December 31, 2023 and 2022, respectively.
5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12(2).

(III) Inventories

	December 31, 2023		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Materials and supplies	\$ 469,135	(\$ 2,423)	\$ 466,712
Work in process	164,837	-	164,837
Finished goods	94,139	( 195)	93,944
Merchandise inventory	<u>7,325</u>	<u>-</u>	<u>7,325</u>
	<u>\$ 735,436</u>	<u>(\$ 2,618)</u>	<u>\$ 732,818</u>

	December 31, 2022		
	<u>Cost</u>	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Materials and supplies	\$ 458,407	(\$ 697)	\$ 457,710
Work in process	134,796	-	134,796
Finished goods	110,761	( 275)	110,486
Merchandise inventory	<u>326</u>	<u>-</u>	<u>326</u>
	<u>\$ 704,290</u>	<u>(\$ 972)</u>	<u>\$ 703,318</u>

Inventory recognized as expenses in the current period:

	<u>2023</u>	<u>2022</u>
Cost of inventories sold	\$ 3,628,467	\$ 2,969,063
Inventory loss from price reduction (gain from price recovery)	1,646 (	5,924)
Unallocated manufacturing costs	6,840	6,840
Revenue from sales of scraps	( 8,260)	( 6,932)
	<u>\$ 3,628,693</u>	<u>\$ 2,963,047</u>

The inventories recognized as allowance of loss were sold and market prices recovered during 2022. The inventories generated gains from price recovery.

(IV) Financial assets at fair value through other comprehensive income acquired - non-Current

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current items:		
Equity Instrument		
Shares of TWSE listed companies	\$ 690,007	\$ 690,007
Shares of the TPEX listed companies	<u>24,868</u>	<u>24,868</u>
	<u>714,875</u>	<u>714,875</u>

Adjustments for valuation

Shares of TWSE listed companies	(	59,951)	(	53,092)
Shares of the TPEX listed companies	(	16,725)	(	16,760)
	(	76,676)	(	69,852)
Total	\$	638,199	\$	645,023

1. The Group elected to classify the TWSE listed securities investments for stable dividends as financial assets at fair value through other comprehensive income; such investments amounted to NT\$630,056 and NT\$636,915 as of December 31, 2023 and 2022, respectively.
2. The Group elected to classify the strategic investments in privately offered shares of TWSE listed companies as financial assets at fair value through other comprehensive income, amounting to NT\$8,143 and NT\$8,108 as of December 31, 2023 and 2022, respectively.
3. In the third quarter of 2022 and the first quarter of 2022, the Company purchased 1,960 thousand shares and 1,380 thousand shares of the TWSE-listed company, Ruentex Industries Ltd., from the open market, in amounts of NT\$122,798 and NT\$136,753, respectively.
4. TPEX-listed company, OBI Pharma, Inc., increased its capital in cash in March 2022, and the Company subscribed for 11,904 shares in an amount of NT\$1,250.
5. TWSE-listed company, Ruentex Industries Ltd., increased its capital in cash in September 2022, and the Group subscribed for 3,504,306 shares in an amount of NT\$175,215.
6. The details of financial assets at fair value through other comprehensive income recognized in profit and loss and comprehensive income (loss) are as follows:

	<u>2023</u>	<u>2022</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	(\$ 6,824)	(\$ 91,065)
Dividend income recognized in profit and loss	\$ 19,597	\$ 31,472

7. The maximum exposure to credit risk for the Group's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$638,199 and NT\$645,023 as of December 31, 2023 and 2022, respectively.
8. For information on the price risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(V) Property, plant, and equipment

2023

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets</u>	<u>Miscellaneous equipment</u>	<u>Unfinished construction and equipment pending for inspection</u>	<u>Total</u>
January 1									
Cost	\$ 1,535,961	\$ 1,465,864	\$ 1,964,955	\$ 11,374	\$ 12,107	\$ 1,470	\$ 70,202	\$ 28,437	\$ 5,090,370
Accumulated depreciation	-	( 496,087)	( 932,542)	( 9,834)	( 7,520)	( 1,119)	( 30,219)	-	( 1,477,321)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 959,446</u>	<u>\$ 976,972</u>	<u>\$ 1,540</u>	<u>\$ 4,587</u>	<u>\$ 351</u>	<u>\$ 39,604</u>	<u>\$ 28,437</u>	<u>\$ 3,546,898</u>
January 1	\$ 1,535,961	\$ 959,446	\$ 976,972	\$ 1,540	\$ 4,587	\$ 351	\$ 39,604	\$ 28,437	\$ 3,546,898
Addition	-	4,466	80,551	3,385	4,668	809	7,243	203,430	304,552
Transfer for current period (Note)	-	7,330	73,837	-	-	-	( 9,110)	( 22,147)	49,910
Costs of disposal	-	-	( 49,068)	( 790)	( 497)	-	( 475)	-	( 50,830)
Disposal of accumulated depreciation	-	-	49,068	790	497	-	475	-	50,830
Depreciation expense	-	( 48,003)	( 172,798)	( 799)	( 2,041)	( 196)	( 6,270)	-	( 230,107)
December 31	<u>\$ 1,535,961</u>	<u>\$ 923,239</u>	<u>\$ 958,562</u>	<u>\$ 4,126</u>	<u>\$ 7,214</u>	<u>\$ 964</u>	<u>\$ 31,467</u>	<u>\$ 209,720</u>	<u>\$ 3,671,253</u>
December 31									
Cost	\$ 1,535,961	\$ 1,477,660	\$ 2,071,138	\$ 13,969	\$ 16,278	\$ 2,279	\$ 66,997	\$ 209,720	\$ 5,394,002
Accumulated depreciation	-	( 544,090)	( 1,057,135)	( 9,843)	( 9,064)	( 1,315)	( 35,151)	-	( 1,656,598)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 923,239</u>	<u>\$ 958,562</u>	<u>\$ 4,126</u>	<u>\$ 7,214</u>	<u>\$ 964</u>	<u>\$ 31,467</u>	<u>\$ 209,720</u>	<u>\$ 3,671,253</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

2022

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets</u>	<u>Miscellaneous equipment</u>	<u>Unfinished construction and equipment pending for inspection</u>	<u>Total</u>
January 1									
Cost	\$ 1,535,961	\$ 1,398,704	\$ 1,831,528	\$ 11,374	\$ 11,914	\$ 1,470	\$ 53,034	\$ 41,321	\$ 4,885,306
Accumulated depreciation	-	( 449,940)	( 865,653)	( 8,915)	( 6,896)	( 1,049)	( 24,829)	-	( 1,357,282)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 938,433</u>	<u>\$ 910,434</u>	<u>\$ 2,459</u>	<u>\$ 5,018</u>	<u>\$ 421</u>	<u>\$ 27,826</u>	<u>\$ 41,321</u>	<u>\$ 3,461,873</u>
January 1	\$ 1,535,961	\$ 938,433	\$ 910,434	\$ 2,459	\$ 5,018	\$ 421	\$ 27,826	\$ 41,321	\$ 3,461,873
Addition	-	1,680	42,634	-	1,075	-	6,929	206,232	258,550
Transfer for current period (Note)	-	65,480	165,209	-	-	-	10,581	( 219,161)	22,109
Costs of disposal	-	-	( 74,416)	-	( 882)	-	( 342)	-	( 75,640)
Disposal of accumulated depreciation	-	-	74,416	-	882	-	342	-	75,640
Capitalization of interest	-	-	-	-	-	-	-	45	45
Depreciation expense	-	( 46,147)	( 141,305)	( 919)	( 1,506)	( 70)	( 5,732)	-	( 195,679)
December 31	<u>\$ 1,535,961</u>	<u>\$ 959,446</u>	<u>\$ 976,972</u>	<u>\$ 1,540</u>	<u>\$ 4,587</u>	<u>\$ 351</u>	<u>\$ 39,604</u>	<u>\$ 28,437</u>	<u>\$ 3,546,898</u>
December 31									
Cost	\$ 1,535,961	\$ 1,465,864	\$ 1,964,955	\$ 11,374	\$ 12,107	\$ 1,470	\$ 70,202	\$ 28,437	\$ 5,090,370
Accumulated depreciation	-	( 496,087)	( 932,542)	( 9,834)	( 7,520)	( 1,119)	( 30,219)	-	( 1,477,321)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 959,446</u>	<u>\$ 976,972</u>	<u>\$ 1,540</u>	<u>\$ 4,587</u>	<u>\$ 351</u>	<u>\$ 39,604</u>	<u>\$ 28,437</u>	<u>\$ 3,546,898</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

1. Capitalized amount of borrowing costs for property, plant and equipment and interest rate range:

	<u>2023</u>	<u>2022</u>
Amount of capitalization	<u>\$ -</u>	<u>\$ 45</u>
Interest rate collars of capitalization	-	0.87%~1.11%

2. Details of the property, plant and equipment pledged to others as collateral are provided in Note 8.
3. Due to legal restrictions, part of the land of the Group is held in the name of another person and a mortgage is created to the Group. Please refer to Note 7 for details.

(VI) Lease transactions - lessees

1. The underlying assets leased by the Group are the offices, land for mining use, parking spaces and company vehicles, and the term of lease is normally between 2020 and 2026. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merger, among other forms.
2. Information on the carrying amount of the right-of-use assets and the recognized depreciation expenses is as follows:

	<u>2023</u>			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 7,265	\$ 60,350	\$ 1,729	\$ 69,344
Accumulated depreciation	<u>( 4,525)</u>	<u>( 19,999)</u>	<u>( 1,434)</u>	<u>( 25,958)</u>
	<u>\$ 2,740</u>	<u>\$ 40,351</u>	<u>\$ 295</u>	<u>\$ 43,386</u>
January 1	\$ 2,740	\$ 40,351	\$ 295	\$ 43,386
Addition-Newly added lease contracts	-	2,795	752	3,547
Cost of derecognition	-	-	( 1,729)	( 1,729)
Accumulated depreciation on the de-booking date	-	-	1,729	1,729
Depreciation expense	<u>( 1,781)</u>	<u>( 12,881)</u>	<u>( 420)</u>	<u>( 15,082)</u>
December 31	<u>\$ 959</u>	<u>\$ 30,265</u>	<u>\$ 627</u>	<u>\$ 31,851</u>
December 31				
Cost	\$ 7,265	\$ 63,145	\$ 752	\$ 71,162
Accumulated depreciation	<u>( 6,306)</u>	<u>( 32,880)</u>	<u>( 125)</u>	<u>( 39,311)</u>
	<u>\$ 959</u>	<u>\$ 30,265</u>	<u>\$ 627</u>	<u>\$ 31,851</u>

	2022			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 9,460	\$ 131,320	\$ 1,687	\$ 142,467
Accumulated depreciation	( 4,501)	( 32,062)	( 844)	( 37,407)
	<u>\$ 4,959</u>	<u>\$ 99,258</u>	<u>\$ 843</u>	<u>\$ 105,060</u>
January 1	\$ 4,959	\$ 99,258	\$ 843	\$ 105,060
Addition-Newly added lease contracts	-	780	-	780
Cost of derecognition	( 2,195)	( 487)	-	( 2,682)
Accumulated depreciation on the de-booking date	2,195	487	-	2,682
Lease contract modifications - costs	-	( 71,263)	42	( 71,221)
Lease contract modifications - accumulated depreciation	-	32,662	-	32,662
Depreciation expense	( 2,219)	( 21,086)	( 590)	( 23,895)
December 31	<u>\$ 2,740</u>	<u>\$ 40,351</u>	<u>\$ 295</u>	<u>\$ 43,386</u>
December 31				
Cost	\$ 7,265	\$ 60,350	\$ 1,729	\$ 69,344
Accumulated depreciation	( 4,525)	( 19,999)	( 1,434)	( 25,958)
	<u>\$ 2,740</u>	<u>\$ 40,351</u>	<u>\$ 295</u>	<u>\$ 43,386</u>

3. Lease liabilities related to lease contracts are as the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total amount of lease liabilities	\$ 38,147	\$ 47,977
Less: Due within one year (listed as lease liabilities - current)	( 20,174)	( 18,494)
	<u>\$ 17,973</u>	<u>\$ 29,483</u>

4. Information of income items related to lease contracts are as the following:

	<u>2023</u>	<u>2022</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 397	\$ 607
Expenses of short-term lease contracts	\$ 576	\$ -
Gains on lease modifications	\$ -	\$ 175

5. The total cash outflow for the lease of the Group in 2023 and 2022 was NT\$14,350 and NT\$22,666, respectively.

6. On March 31, 2022, the Company agreed to terminate the lease contract on the Taipei Port cement powder inventory, storage, and transfer system with Taipei Port Terminal Company Limited. Therefore, the Company reduced the cost of right-of-use assets by NT\$71,263, accumulated depreciation by NT\$32,662, and lease liabilities by NT\$38,776, and recognized gains on lease modifications of NT\$175.
7. Yilan Luodong Business Area No. 70, 71, 73-75, 80, 82-85, and Nan'ao Business Area No. 27 and 28 were leased by the Company for mineral field use. As said leases expired on June 18, 2020. The Company has applied to the competent authorities for the renewal of the leases. The application for renewal of the lease of the mining land for auxiliary facilities was completed in January 2023, and the lease term will end on June 18, 2024.

(VII) Intangible assets

	2023			
	<u>Mineral source</u>	<u>Trademark rights, patent rights and service concession</u>	<u>Others</u>	<u>Total</u>
January 1				
Cost	\$ 234,798	\$ 30,000	\$ 114,453	\$ 379,251
Accumulated amortization	( 60,416)	( 30,000)	( 42,313)	( 132,729)
Accumulated impairment	( 61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 60,900</u>	<u>\$ 173,310</u>
January 1	\$ 112,410	\$ -	\$ 60,900	\$ 173,310
Addition	-	-	5,524	5,524
Cost of derecognition	-	-	( 1,129)	( 1,129)
Accumulated amortization on the derecognition date	-	-	1,129	1,129
Amortization	-	-	( 8,560)	( 8,560)
December 31	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 57,864</u>	<u>\$ 170,274</u>
December 31				
Cost	\$ 234,798	\$ 30,000	\$ 118,848	\$ 383,646
Accumulated amortization	( 60,416)	( 30,000)	( 49,744)	( 140,160)
Accumulated impairment	( 61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 57,864</u>	<u>\$ 170,274</u>

2022				
	<u>Mineral source</u>	<u>Trademark rights, patent rights and service concession</u>	<u>Others</u>	<u>Total</u>
January 1				
Cost	\$ 234,798	\$ 30,000	\$ 90,176	\$ 354,974
Accumulated amortization (	60,416)	( 28,500)	( 34,137)	( 123,053)
Accumulated impairment (	61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ 1,500</u>	<u>\$ 44,799</u>	<u>\$ 158,709</u>
January 1	\$ 112,410	\$ 1,500	\$ 44,799	\$ 158,709
Addition	-	-	24,277	24,277
Amortization	-	( 1,500)	( 8,176)	( 9,676)
December 31	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 60,900</u>	<u>\$ 173,310</u>
December 31				
Cost	\$ 234,798	\$ 30,000	\$ 114,453	\$ 379,251
Accumulated amortization (	60,416)	( 30,000)	( 42,313)	( 132,729)
Accumulated impairment (	61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 60,900</u>	<u>\$ 173,310</u>

Details of amortization of intangible assets are as follows:

	<u>2023</u>	<u>2022</u>
Operation cost	\$ 7,820	\$ 7,444
Operating Expenses	740	2,232
	<u>\$ 8,560</u>	<u>\$ 9,676</u>

The Company owns the mine operation rights at Yilan Lankan Mine (Tai-Ji-Cai-Zi No. 5569 Mine Operation Right) and Hualien Huahsin Mine (Tai-Ji-Cai-Zi No. 5345 Marble Mine Operation Right) which will expire on June 18, 2032 and July 1, 2025, respectively. At present, the limestone quarrying in the original mining area has nearly been exhausted and an application has been made to the Bureau of Mines, Ministry of Economic Affairs, in accordance with Article 43 of the Mining Act for an extension of the mining area within the original mine operation rights (Expansion).

On September 15, 2020, the above-mentioned application of the Yilan Lankan Minefield received the Administrative Disposition Jin Shou Chuan Zi No. 10920107100 from the Ministry of Economic Affairs, which stated, "Because the public land authority (i.e. the Luodong District Office of the Forestry Bureau of the Council of Agriculture, Executive Yuan) has indicated that the approval of mineral land is denied because it does not meet the requirements of No. 13 of the Regulations for Conservation Forest Managements; therefore, the application is rejected in accordance with Article 43 of the Mining Act." The Company filed a petition in accordance with the law on October 6, 2020 due to dissatisfaction with the administrative sanction imposed by the authority; however, the petition was rejected by the Executive Yuan, referencing Yuan-Tai-Su-Zi No. 1100178798 dated July 8, 2021. The material changes from the adverse impact on the Company's assets due to administrative authorities' fact determination and application of laws had led to signs of impairment of the Company's assets in accordance with the IAS 36. The property, plants, and equipment of NT\$66,151 and intangible assets of NT\$73,212 related to the Yilan Lankan Mine, totaling NT\$139,363, were recognized in impairment losses in June 2021.

However, to ensure the equity and efficiency of the Company's assets, if the mining land for mining sources legally held can be expanded and continued to be mined, it will make a reasonable contribution to the Company's future profits. The Yilan Lankan Stone Mine expansion case was filed with The High Administrative Court on September 9, 2021, but the administrative lawsuit was dismissed on February 29, 2024 by the Taipei High Administrative Court judgment year 2021 Su-Zi No. 1062. The Company has already make a provision for impairment loss. Hence, there is no material impact on the Company's finance or business of the judgment results. The Company will file an appeal within the statutory time limit. As of March 13, 2024, the appeal is in process.

The mining and transportation method for the Hualien Huahsin Mine expansion application was to borrow another entity's road. However, because the consent to pass through the adjacent mines was not obtained, the Company took the initiative to withdraw the application and will file another application after re-planning. As of the March 13, 2024, the relevant planning is still in progress and the application procedure has not yet been completed.

(VIII) Short-term borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Credit bank loan	<u>\$ 750,000</u>	<u>\$ 950,000</u>
Interest rate collars	1.78%~1.83%	1.60%~1.90%

In addition to the collateral provided for the short-term borrowings as described in Note 8, the Group also issued the guarantee notes of the amount as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 1,650,000</u>	<u>\$ 1,350,000</u>

(IX) Short-term notes and bills payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial papers payable	\$ 270,000	\$ 310,000
Less: Unamortized discount	( 64)	( 168)
	<u>\$ 269,936</u>	<u>\$ 309,832</u>
Interest rate collars	1.32%~1.61%	1.00%~1.78%

The guaranteed bills for the short-term notes and bills quota issued by the Group are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 650,000</u>	<u>\$ 650,000</u>

(X) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salary and wages payable	\$ 137,707	\$ 119,614
Electricity bill payable	29,487	25,188
Commodity tax payable	16,854	13,050
Payables on equipment	13,065	31,937
Business tax payable	11,456	3,197
Other Payable	31,246	20,596
	<u>\$ 239,815</u>	<u>\$ 213,582</u>

(XI) Long-term borrowings

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate collars</u>	<u>Guarantee</u>	<u>December 31, 2023</u>
Long-term bank loan				
Secured loan	From September 1, 2023 to August 31, 2025, monthly payment of interest, re-payment on maturity.	1.75%	Note	\$ 1,600,000
Credit Loan	From February 22, 2023 to September 30, 2025, monthly payment of interest, re-payment on maturity.	1.78% ~1.852%	Note	
				<u>900,000</u>
				<u>\$ 2,500,000</u>

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate collars</u>	<u>Guarantee</u>	<u>December 31, 2022</u>
Long-term bank loan				
Secured loan	From September 1, 2022 to August 31, 2024, monthly payment of interest, re-payment on maturity.	1.725%	Note	\$ 1,500,000
Credit Loan	From September 13, 2021 to February 22, 2025, monthly payment of interest, re-payment on maturity.	1.64% ~2.18%	Note	
				<u>1,050,000</u>
				2,550,000
Less: Long-term borrowings due within one year or one operating cycle				<u>( 550,000)</u>
				<u>\$ 2,000,000</u>

Note: In addition to the collateral provided for the long-term borrowings as described in Note 8, the Group also issued the guarantee notes of the amount as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 2,000,000</u>	<u>\$ 2,050,000</u>

## (XII) Pensions

1.(1) Ruentex Interior Design has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. Ruentex Interior Design contributes monthly an amount equal to 2% of employees' monthly salaries and wages to the retirement fund deposited with the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, Ruentex Interior Design assesses the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension, calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, Ruentex Interior Design will make contributions to cover the deficit by the end of next March.

(2) The amounts recognized in the balance sheet are determined as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	(\$ 19,136)	(\$ 18,027)
Fair value of plan assets	<u>8,219</u>	<u>7,474</u>
Defined benefit liability (listed as non-current liabilities)	<u>(\$ 10,917)</u>	<u>(\$ 10,553)</u>

(3) Movements in net defined benefit liabilities are as follows:

	<u>2023</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit liability</u>
Balance, January 1	(\$ 18,027)	\$ 7,474	(\$ 10,553)
Interest (expense) revenue	<u>( 232)</u>	<u>96</u>	<u>( 136)</u>
	<u>( 18,259)</u>	<u>7,570</u>	<u>( 10,689)</u>
Remeasurements:			
Return on plan assets (Other than the amount included in interest revenue or expense)	-	68	68
Effects of changes in economic assumptions	( 154)	-	( 154)
Experience adjustments	<u>( 723)</u>	<u>-</u>	<u>( 723)</u>
	<u>( 877)</u>	<u>68</u>	<u>( 809)</u>
Contribution to pension fund	<u>-</u>	<u>581</u>	<u>581</u>
Balance, December 31	<u>(\$ 19,136)</u>	<u>\$ 8,219</u>	<u>(\$ 10,917)</u>

	2022		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit liability</u>
Balance, January 1	(\$ 18,443)	\$ 6,780	(\$ 11,663)
Current service cost	( 130)	-	( 130)
Interest (expense) revenue	( 127)	47	( 80)
	<u>( 18,700)</u>	<u>6,827</u>	<u>( 11,873)</u>
Remeasurements:			
Return on plan assets (Other than the amount included in interest revenue or expense)	-	523	523
Effects of changes in( demographic assumptions	2)	-	( 2)
Effects of changes in economic assumptions	1,003	-	1,003
Experience adjustments	<u>( 328)</u>	<u>-</u>	<u>( 328)</u>
	<u>673</u>	<u>523</u>	<u>1,196</u>
Contribution to pension fund	<u>-</u>	<u>124</u>	<u>124</u>
Balance, December 31	<u><u>(\$ 18,027)</u></u>	<u><u>\$ 7,474</u></u>	<u><u>(\$ 10,553)</u></u>

- (4) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being

authorized by the Regulator. Ruentex Interior Design has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 Paragraph 142. The composition of fair value of plan Assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(5) The principal actuarial assumptions used were as follows:

	<u>2023</u>	<u>2022</u>
Discount rate	1.20%	1.30%
Future salary increase in percent	3.00%	3.00%

The future mortality rates in 2023 and 2022 were both estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increase in percent</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2023				
Effects on the present value of a defined benefit obligation	<u>(\$ 382)</u>	<u>\$ 393</u>	<u>\$ 386</u>	<u>(\$ 376)</u>
December 31, 2022				
Effects on the present value of a defined benefit obligation	<u>(\$ 395)</u>	<u>\$ 408</u>	<u>\$ 400</u>	<u>(\$ 390)</u>

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis the current period are the same as the ones of the previous period.

(6) Expected contributions to the defined benefit pension plans of Ruentex Interior Design for the year ending December 31, 2024 amounts to NT\$147.

(7) As of December 31, 2023, the weighted average duration of that retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

Less than 1 year	\$	525
1-2 years		2,197
2-5 years		3,944
More than 5 years		14,172
	\$	<u>20,838</u>

2.(1) The Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality.

Under the New Plan, the Group contributes monthly an amount based on 6% of employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance.

The benefits accrued are paid monthly or in lump sum upon termination of employment.

(2) The pension costs under the defined contribution pension plans of the Group for 2023 and 2022 were NT\$16,291 and NT\$13,922 respectively.

#### (XIII) Capital

1. The number of outstanding shares of the Company as of December 31, 2023 and 2022 were both 150,000 thousand shares, and the number of shares in 2023 and 2022 remained unchanged.
2. As of December 31, 2023, the Company’s authorized capital was NT\$2,000,000, and the paid-in capital was NT\$1,500,000 with a par value of NT\$10 per share; all shares are issued as ordinary shares. All proceeds from shares issued have been collected.

#### (XIV) Capital surplus

1. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
2. Please see Note 6(25) for the details of capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries.

(XV) Retained earnings

1. Under the Articles of Incorporation of the Company, the earnings, if any, shall be distributed after close of the year as follows:
  - (1) First pay income tax.
  - (2) Make up loss accumulated in previous year, if any.
  - (3) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
  - (4) Amortize or rotate special reserve as required by law or the competent authority.
  - (5) For the balance after deduction of the sums under the preceding Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.
2. The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's finances, business, operation, capital budget, and so on factors in maintaining the shareholders' interests, balancing dividends, and the Company's long-term financial plan. Each year, the Board of Directors proposes the appropriation of earnings according to laws and submits the proposal to the shareholders' meeting for approval. The appropriation of earnings shall be made with considerations of various factors such as the Company's finances, business, and operation aspects. Dividends may be distributed in the form of cash or shares, provided, however, that cash dividends distributed in respect of any fiscal year shall not exceed 10% of the total shareholders' dividends distributed.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
5. On May 31, 2022, the Company approved the reversal of the 2021 special reserve of NT\$28,369 by resolution of the shareholders' meeting and offset the deficit with the legal reserve of NT\$74,680. The calculation of the deficit to be offset is as follows:

	<u>2021</u>
Retained earnings on January 1, 2021	\$ 130,803
Appropriation and distribution of retained earnings of 2020	
-Profit set aside as legal reserve	( 13,033)
-Provision of special reserves	( 1,841)
- Cash dividend	( 115,500)
Net loss after tax	( 103,741)
Remeasurements of defined benefit plans with actuarial valuation	263
Profit reversed as special reserve	<u>28,369</u>
Cumulative deficit to be offset on December 31, 2021	<u>(\$ 74,680)</u>

6.(1) The Company's earning distribution plan for the year ended December 31, 2022 approved by the shareholders' meeting on May 22, 2023 is as follows:

	<u>2022</u>	
	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
Legal reserve	\$ 3,845	
Special reserve	34,600	
Cash dividends	<u>-</u>	-
Total	<u>\$ 38,445</u>	

(2) According to the approval of the proposal made by the Shareholders Meeting on May 22, 2023, the Company allotted NT\$0.23 per share from capital surplus - issued at premium in a total amount of NT\$34,500.

7. The Company's earning distribution plan for the year ended December 31, 2023 approved by the board of directors' meeting on March 13, 2024 is as follows:

	<u>2023</u>	
	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
Legal reserve	\$ 11,476	
Special reserve	5,578	
Cash dividends	<u>97,500</u>	\$ 0.65
Total	<u>\$ 114,554</u>	

(XVI) Operation Income

	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers:		
Revenue from sales of goods	\$ 3,852,786	\$ 3,062,165
Revenue from construction contracts	1,537,295	1,078,091
Other revenue from contracts	<u>110,791</u>	<u>108,919</u>
	<u>\$ 5,500,872</u>	<u>\$ 4,249,175</u>

1. Detail of customer contract income

The Group's revenue is mainly from the transfer of services over time and transfer of products at a point of time, and it can be divided based on product lines as follows:

<u>2023</u>	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
Departmental revenue	\$ 2,052,721	\$ 1,919,785	\$ 1,537,295	\$ 5,509,801
Revenue from internal department transactions	-	( 8,929)	-	( 8,929)
Revenue from contracts with external customers	<u>\$ 2,052,721</u>	<u>\$ 1,910,856</u>	<u>\$ 1,537,295</u>	<u>\$ 5,500,872</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 2,052,721	\$ 1,910,856	\$ -	\$ 3,963,577
Revenue recognized over time	-	-	1,537,295	1,537,295
	<u>\$ 2,052,721</u>	<u>\$ 1,910,856</u>	<u>\$ 1,537,295</u>	<u>\$ 5,500,872</u>

<u>2022</u>	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
Departmental revenue	\$ 1,670,900	\$ 1,503,661	\$ 1,078,656	\$ 4,253,217
Revenue from internal department transactions	-	( 3,477)	( 565)	( 4,042)
Revenue from contracts with external customers	<u>\$ 1,670,900</u>	<u>\$ 1,500,184</u>	<u>\$ 1,078,091</u>	<u>\$ 4,249,175</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 1,670,900	\$ 1,500,184	\$ -	\$ 3,171,084
Revenue recognized over time	-	-	1,078,091	1,078,091
	<u>\$ 1,670,900</u>	<u>\$ 1,500,184</u>	<u>\$ 1,078,091</u>	<u>\$ 4,249,175</u>

2. As of December 31, 2023 and 2022 for the signed construction contracts, the aggregated amounts of the transaction amount allocated to the unsatisfied contract performance, and the estimated recognition years are as the following:

<u>Year</u>	<u>Year of the estimated recognized revenues</u>	<u>Amounts of the signed contracts</u>
2023	2024 ~ 2026	\$ 1,381,001
2022	2023 ~ 2026	\$ 1,031,986

### 3. Contract assets and contract liabilities

The Group's recognition of contract assets and contract liabilities related to contracts with customers is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract asset:			
Contract asset - Retainable receivable (including related parties)	\$ 13,150	\$ 16,038	\$ 3,206
Contract asset - Construction contract	<u>364,587</u>	<u>396,635</u>	<u>181,467</u>
Total	<u>\$ 377,737</u>	<u>\$ 412,673</u>	<u>\$ 184,673</u>
Contract liability:			
Contract liabilities - Construction materials contract (related parties included)	\$ 23,527	\$ 18,078	\$ 35,210
Contract liability - Construction contract	<u>26,825</u>	<u>14,643</u>	<u>6,434</u>
Total	<u>\$ 50,352</u>	<u>\$ 32,721</u>	<u>\$ 41,644</u>

### 4. Contract assets and contract liabilities related to aforementioned contracts recognized as of December 31, 2023 and 2022, and as of January 1, 2022:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Total costs incurred plus profits recognized (less losses recognized)	\$ 1,552,369	\$ 889,620	\$ 469,793
Less: Amount requested for progress of works	<u>( 1,214,607)</u>	<u>( 507,628)</u>	<u>( 294,760)</u>
Status of net assets and liabilities of ongoing contracts	<u>\$ 337,762</u>	<u>\$ 381,992</u>	<u>\$ 175,033</u>

### (XVII) Operation cost

	<u>2023</u>	<u>2022</u>
Cost of sales of goods	\$ 3,628,693	\$ 2,963,047
Cost of construction contract	1,240,012	861,710
Other costs from contracts	<u>7,153</u>	<u>5,395</u>
	<u>\$ 4,875,858</u>	<u>\$ 3,830,152</u>

(XVIII) Interest revenue

	2023	2022
Interest on cash in banks	\$ 3,274	\$ 2,107
Interest income from the financial assets measured at amortized costs	569	317
	<u>\$ 3,843</u>	<u>\$ 2,424</u>

(XIX) Other income

	2023	2022
Dividend income	\$ 19,597	\$ 31,472
Provisions transferred to other income	1,680	1,580
Rent income	1,116	1,116
Gains on write-off of accounts payable past due	748	25
Income from claims	144	-
Other payables transferred to other income	52	-
Other income	3,923	3,031
	<u>\$ 27,260</u>	<u>\$ 37,224</u>

(XX) Other gains and losses

	2023	2022
Foreign exchange net (loss) gain	(\$ 1,992)	\$ 1,965
Gain (loss) on foreign currency valuation	(49)	153
Gains on lease modifications	-	175
Others	(656)	(1,230)
	<u>(\$ 2,697)</u>	<u>\$ 1,063</u>

(XXI) Financial Costs

	2023	2022
Interest expense:		
Bank loan	\$ 63,889	\$ 40,092
Lease liabilities	397	607
Less: Amount eligible for capitalization	-	(45)
	<u>\$ 64,286</u>	<u>\$ 40,654</u>

(XXII) Additional information of expenses by nature

	<u>2023</u>	<u>2022</u>
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	\$ 2,238,592	\$ 1,824,821
Contract work	1,200,483	833,784
Employee benefit expense	518,772	444,371
Depreciation expenses for property, plant and equipment	230,107	195,679
Depreciation expenses for right-of-use assets	15,082	23,895
Depreciation and amortization expenses of intangible assets	8,560	9,676
Other expense	998,968	780,685
Operating costs and expenses	<u>\$ 5,210,564</u>	<u>\$ 4,112,911</u>

(XXIII) Employee benefit expense

	<u>2023</u>	<u>2022</u>
Wages and salaries	\$ 430,832	\$ 368,830
Labor and Health Insurance costs	36,876	31,750
Pension expense	16,427	14,132
Directors' Remuneration	5,943	4,908
Other employment fees	28,694	24,751
	<u>\$ 518,772</u>	<u>\$ 444,371</u>

1. According to the Articles of Incorporation, the Company shall appropriate at least 1% of the remainder of the profit for the year as profit sharing remuneration for employees after deducting the accumulated losses from the profit for the current year. None will be distributed for director remuneration.
- 2.(1) For the years ended December 31, 2023 and 2022, employees' compensation was accrued at NT\$1,240 and NT\$466, respectively. The aforementioned amounts were recognized in salary expenses.
  - (2) Employees' compensation was estimated and accrued based on 1% of distributable profit of the current year for the year ended December 31, 2023. The employees' compensation resolved by the Board of Directors on March 13, 2024 was NT\$1,240, which will be distributed in the form of cash.
  - (3) As resolved by the Board of Directors on March 10, 2023, the remuneration to

employees for 2022 is consistent with the remuneration to employees of NT\$466 recognized in the 2022 financial statements. The 2022 employees' compensation was distributed in the form of cash.

- (4) Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXIV) Income tax

1. Income tax expense

- (1) Components of income tax expense:

	<u>2023</u>	<u>2022</u>
Current income tax:		
Income tax occurred in the current period	\$ 43,880	\$ 25,148
Extra imposed on undistributed earnings	-	5
Underestimation on income tax for prior years	<u>2</u>	<u>2,994</u>
Total income tax for current period	<u>43,882</u>	<u>28,147</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 408)	1,272
Tax loss	<u>-</u>	<u>3,915</u>
Total deferred income tax	<u>( 408)</u>	<u>5,187</u>
Income tax expense	<u>\$ 43,474</u>	<u>\$ 33,334</u>

- (2) Income tax expense relating to components of other comprehensive income:

	<u>2023</u>	<u>2022</u>
Remeasurements of defined benefit obligation	\$ 162	(\$ 239)
Changes in fair value through other comprehensive income	<u>191</u>	<u>( 1,447)</u>
	<u>\$ 353</u>	<u>(\$ 1,686)</u>

2. Reconciliation between income tax expense and accounting profit

	<u>2023</u>	<u>2022</u>
Imputed income taxes on pre-tax income at a statutory tax rate	\$ 50,886	\$ 27,264
Expenses to be excluded as stipulated in the tax law	127	232
Income with exemption from tax as stipulated in the tax law	( 3,919)	( 5,749)
Temporary differences on unrealized deferred income tax assets	( 541)	-
Income tax effects of investment tax credits	( 3,081)	-
Tax loss on unrealizable deferred income tax assets	-	5,293
Changes in realizability evaluation on deferred income tax assets	-	3,295
Underestimation on income tax for prior years	2	2,994
Extra imposed on undistributed earnings	-	5
Income tax expense	<u>\$ 43,474</u>	<u>\$ 33,334</u>

3. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax loss are as follows:

	<u>2023</u>			
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>Recognized in other comprehensive income</u>	<u>December 31</u>
Deferred income tax assets:				
- Temporary differences:				
Allowance for loss on market value decline of inventory	\$ 194	\$ 329	\$ -	\$ 523
Unrealized sales discounts	2,157	948	-	3,105
Unrealized impairment loss	26,185	( 992)	-	25,193
Actuarial gains and losses of pension	430	-	162	592
Pension exceeding the limits	1,682	( 90)	-	1,592
Warranty provision	1,078	203	-	1,281
	<u>31,726</u>	<u>398</u>	<u>162</u>	<u>32,286</u>
Deferred income tax liability:				

- Temporary differences:				
Unrealized gains on financial assets	( 3,607)	-	191	( 3,416)
Unrealized foreign exchange gains	( 30)	10	-	( 20)
	( 3,637)	10	191	( 3,436)
	<u>\$ 28,089</u>	<u>\$ 408</u>	<u>\$ 353</u>	<u>\$ 28,850</u>

	2022			
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>Recognized in other comprehensive income</u>	<u>December 31</u>
Deferred income tax assets:				
- Temporary differences:				
Allowance for loss on market value decline of inventory	\$ 1,379	(\$ 1,185)	\$ -	\$ 194
Unrealized sales discounts	1,622	535	-	2,157
Unrealized impairment loss	27,872	( 1,687)	-	26,185
Unrealized foreign exchange losses	1	( 1)	-	-
Actuarial gains and losses of pension	669	-	( 239)	430
Pension exceeding the limits	1,664	18	-	1,682
Warranty provision	-	1,078	-	1,078
- Tax loss	3,915	( 3,915)	-	-
	<u>37,122</u>	<u>( 5,157)</u>	<u>( 239)</u>	<u>31,726</u>
Deferred income tax liability:				
- Temporary differences:				
Unrealized gains on financial assets	( 2,160)	-	( 1,447)	( 3,607)
Unrealized foreign exchange gains	-	( 30)	-	( 30)
	<u>( 2,160)</u>	<u>( 30)</u>	<u>( 1,447)</u>	<u>( 3,637)</u>
	<u>\$ 34,962</u>	<u>(\$ 5,187)</u>	<u>(\$ 1,686)</u>	<u>\$ 28,089</u>

4. The Company's income tax returns through 2021 have been assessed as approved by the Tax Authority.

(XXV) Non-controlling Interest

Disposal of equity in subsidiaries (without losing control)

The Company sold a 3.7% stake in its subsidiary, Ruentex Interior Design, on July 19, 2022, with a consideration (less the securities exchange tax) received totaling NT\$29,910. The carrying amount of Ruentex Interior Design's non-controlling interests on the date of the sale was NT\$228,505; with that, the non-controlling interests increased by NT\$13,850, and the equity attributable to the owners of the parent company increased by NT\$16,060. The effects of changes in Ruentex Interior Design's equity in 2022 on the equity attributable to the owners of parent are as follows:

	<u>2022</u>	
Consideration received from the non-controlling interests	\$	29,910
Carrying amount of non-controlling interests disposed of	(	13,850)
Other equities	(	984)
Capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	\$	<u>15,076</u>

(XXVI) Earnings per share

	<u>2023</u>		
	<u>After-tax amount</u>	<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NTD)</u>
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 114,983	150,000	\$ 0.77
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 114,983	150,000	
Impact of potential diluted ordinary shares			
Remuneration to employee	-	53	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 114,983	150,053	\$ 0.77

	2022		
	After-tax amount	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 38,108	150,000	\$ 0.25
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 38,108	150,000	
Impact of potential diluted ordinary shares			
Remuneration to employee	-	20	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 38,108	150,020	\$ 0.25

(XXVII) Cash flow supplementary information

1. Investing activities not affecting cash flow:

	2023	2022
Prepayments for business facilities reclassified to property, plant and equipment	\$ 49,910	\$ 22,109

2. Investing activities paid partially by cash:

	2023	2022
Acquisition of financial assets at fair value through other comprehensive income	\$ -	\$ 436,016
Add: Other investment payables at the beginning of the period	-	5,857
Cash payments for current period	\$ -	\$ 441,873

	<u>2023</u>	<u>2022</u>
Acquisition of property, plant and equipment	\$ 304,552	\$ 258,550
Add: Payables for equipment at the beginning of the period	31,937	36,364
Less: Payables for equipment at the end of the period	<u>(13,065)</u>	<u>(31,937)</u>
Cash payments for current period	<u>\$ 323,424</u>	<u>\$ 262,977</u>

(XXVIII) Changes of liabilities from financing activities

	2023					
	<u>Short-term</u>	<u>Short-term notes and</u>	<u>Lease liabilities</u>	<u>Long-term</u>	<u>Non-current</u>	<u>Total liabilities</u>
	<u>borrowings</u>	<u>bills payable</u>	<u>- current and</u>	<u>borrowings</u>	<u>liabilities</u>	<u>from financing</u>
			<u>non-current</u>		<u>(guarantee</u>	<u>activities</u>
					<u>deposits received)</u>	
January 1	\$ 950,000	\$ 309,832	\$ 47,977	\$ 2,550,000	\$ 7,562	\$ 3,865,371
Changes of the financing cash flows	( 200,000)	( 40,000)	( 13,377)	( 50,000)	( 21)	( 303,398)
Addition-Newly added lease contracts	-	-	3,547	-	-	3,547
Other non-cash changes	-	104	-	-	-	104
December 31	<u>\$ 750,000</u>	<u>\$ 269,936</u>	<u>\$ 38,147</u>	<u>\$ 2,500,000</u>	<u>\$ 7,541</u>	<u>\$ 3,565,624</u>
	2022					
	<u>Short-term</u>	<u>Short-term notes and</u>	<u>Lease liabilities</u>	<u>Long-term</u>	<u>Non-current</u>	<u>Total liabilities</u>
	<u>borrowings</u>	<u>bills payable</u>	<u>- current and</u>	<u>borrowings</u>	<u>liabilities</u>	<u>from financing</u>
			<u>non-current</u>		<u>(guarantee</u>	<u>activities</u>
					<u>deposits received)</u>	
January 1	\$ -	\$ 239,824	\$ 107,990	\$ 2,500,000	\$ 7,562	\$ 2,855,376
Changes of the financing cash flows	950,000	70,000	( 22,059)	50,000	-	1,047,941
Addition-Newly added lease contracts	-	-	780	-	-	780
Lease contract modifications	-	-	( 38,559)	-	-	( 38,559)
Gains on lease modifications	-	-	( 175)	-	-	( 175)
Other non-cash changes	-	8	-	-	-	8
December 31	<u>\$ 950,000</u>	<u>\$ 309,832</u>	<u>\$ 47,977</u>	<u>\$ 2,550,000</u>	<u>\$ 7,562</u>	<u>\$ 3,865,371</u>

## VII. Transaction with Related Parties

### (I) Parent Company and the ultimate controller

The Company is controlled by Ruentex Engineering & Construction Co., Ltd. which holds 39.15% of the Company's shares. The ultimate parent company of the Company is the Ruentex Development Co., Ltd.

### (II) Names of related parties and relationship

<u>Name of Relative Parties</u>	<u>Relation to the Group</u>
Ruentex Development Co., Ltd. (Ruentex Development)	Ultimate parent company of the Group
Ruentex Engineering & Construction Co., Ltd.	Direct parent company (The parent company of the Group)
Ruentex Property Management and Maintenance Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Bai-Yi Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Xu-Zhan Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Construction & Development Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Innovative Development Co., Ltd. (Ruentex Innovative Development)	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Industries Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Group)
Nan Shan Life Insurance Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Group)
Nan Shan General Insurance Co., Ltd.	Other related parties (subsidiary of a company recognized using the equity method for the ultimate parent company of the Group)
OBI Pharma, Inc.	Other related party (the Group's substantial related party)
Shing Yen Construction & Development Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Group)
Ruentex Construction & Engineering Co., Ltd. (Ruentex Construction)	Other related party (the management personnel of the Group's parent company is the representative of the juridical person director of the Company)
Ruentex Xing Co. Ltd.	Other related party (its director is the representative of the juridical person director of the Group)
Penglin Investment Co., Ltd.	Other related party (its director is the representative of the juridical person director of the Group)
Huei Hong Investment Co., Ltd.	Other related party (The Group's juridical person

Shu-Tien Urology and Ophthalmology Clinic	director) Other related party (a juridical person director of an affiliate of the ultimate parent company of the Group)
Chang Quan Investment Co., Ltd.	Other related party (The Group's representative of the juridical person director is the representative of the juridical person director of the company)
Sunny Friend Environmental Technology Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Group)
Samuel Yen-Liang Yin	Other related party (the relative within the first degree of kinship of the representative of the juridical corporate director of the Group)
Mo, Wei-Han	Chairperson of the Company
Chen, Hsueh-Hsien	President of the Company
Jean, Tsang-Jiunn	Chairperson of the subsidiary of the Company
Lu, Yu-Huang	President of the subsidiary of the Company

(III) Significant related party transactions and balances

1. Operating Revenue

	<u>2023</u>	<u>2022</u>
Sales of goods:		
— The ultimate parent company	\$ 64,743	\$ 46,120
— The direct parent company	136,259	129,812
- Fellow subsidiary	3,540	2,463
- Other related parties	8,371	3,594
Contract of construction:		
— The ultimate parent company	334,910	376,333
— The direct parent company	15,779	46,495
- Fellow subsidiary	349,900	48,303
- Other related parties	28,567	53,087
	<u>\$ 942,069</u>	<u>\$ 706,207</u>

There is no significant difference in the transaction prices and payment terms for goods sold and the non-related parties. The contract prices of the contract of construction is negotiated by both parties and are collected by the due date as stated in the contract.

2. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable:		
— The ultimate parent company	\$ 1,563	\$ 52
— The direct parent company	3,895	350
- Fellow subsidiary	45	-
	<u>\$ 5,503</u>	<u>\$ 402</u>
Accounts receivable		
— The ultimate parent company	\$ 56,675	\$ 41,484
— The direct parent company	28,192	32,654
— Ruentex Innovative Development	146,567	-
- Fellow subsidiary	14,447	3,542
- Other related parties	2,121	857
	<u>\$ 248,002</u>	<u>\$ 78,537</u>

### 3. Contract assets - retainable receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
– The ultimate parent company	\$ 2,627	\$ 10,284
– The direct parent company	1,086	3,820
- Fellow subsidiary	<u>8,746</u>	<u>607</u>
	<u>\$ 12,459</u>	<u>\$ 14,711</u>

### 4. Incomplete work of construction contracting and advance construction receipts

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Development	\$ 864,591	\$ 71,093	\$ 1,071,087	\$ 214,151
Ruentex Innovative Development	651,107	306,185	32,937	11,558
The direct parent company	49,981	20,643	70,871	41,692
Fellow subsidiary	-	-	55,713	1,846
Other related parties	<u>29,516</u>	<u>25,680</u>	<u>25,394</u>	<u>17,120</u>
	<u>\$ 1,595,195</u>	<u>\$ 423,601</u>	<u>\$ 1,256,002</u>	<u>\$ 286,367</u>

### 5. Balance of accounts payable from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes payable:		
– The direct parent company	\$ 391	\$ 1,693
- Fellow subsidiary	-	15
- Other related parties	<u>330</u>	<u>156</u>
	<u>\$ 721</u>	<u>\$ 1,864</u>
Accounts payable:		
– The direct parent company	<u>\$ 2,058</u>	<u>\$ 1,842</u>
Other payables (Note):		
– The ultimate parent company	\$ 8	\$ 8
– The direct parent company	-	194
- Fellow subsidiary	200	-
- Other related parties	<u>410</u>	<u>296</u>
	<u>\$ 618</u>	<u>\$ 498</u>

Note: Mainly due to insurance premiums, rents, management fees, and computer maintenance fees payable.

## 6. Property transactions

### (1) Acquisition of financial Assets

Please refer to Notes 6(4)4. and 5.

### (2) Property, plant and equipment acquired

For the construction of the Yilan Dongshan Plant Silica Sand Screening Warehouse Construction Project, the Company signed a project outsourcing contract with Ruentex Construction after approval of the Board of Directors on December 29, 2021, to outsource the project to Ruentex Construction; it obtained the license in June 2022. The final contract price and the payment made are both NT\$42,804 and the payment was completed in August 2022.

## 7. Lease transactions - Lessee/rent expenses

Rent expenses of short-term lease contracts

	<u>2023</u>	<u>2022</u>
Fellow subsidiary	<u>\$ 343</u>	<u>\$ -</u>

8. The Company and the direct parent company signed and entered into an agreement in July 2021 on contract processing. The monthly payment is NT\$980. If the monthly production surpasses 3,800 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). The contract was renewed in January 2023. The monthly payment is NT\$1,200. If the monthly production surpasses 3,800 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). For the year ended December 31, 2023 and 2022, processing expenses of NT\$14,400 and NT\$11,760 were recognized, respectively.

9. The Company and the direct parent company signed and entered into an agreement in August 2022 on contract processing. The monthly payment is NT\$632. If the monthly production surpasses 2,000 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). For the year ended December 31, 2023 and 2022, processing expenses of NT\$7,584 and NT\$3,160 were recognized, respectively.

## 10. Status of endorsements and guarantees provided by related parties to the Group

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
The direct parent company	<u>\$ 88,368</u>	<u>\$ 31,254</u>
Key management personnel	<u>\$ 6,300,000</u>	<u>\$ 5,850,000</u>

11. Related party who owns the land based on a trust deed

A portion of the Company's land is agricultural land. Due to legal restrictions, the Consolidated Company is not entitled to the property rights of the aforementioned land. Therefore, the property rights of the agricultural land obtained in 2009, 2010, 2015, and 2020 were registered to the chief management and pledged as collateral to the Company. As of December 31, 2023, the carrying value of agricultural and animal husbandry land was NT\$84,306 under "Property, plant and equipment."

(IV) Key management compensation information

	<u>2023</u>	<u>2022</u>
Wages and salaries and short-term employee benefits	\$ 72,157	\$ 66,889
Post-employment benefits	990	1,002
Termination benefits	-	495
Total	<u>\$ 73,147</u>	<u>\$ 68,386</u>

VIII. Pledged Assets

The Group's Assets pledged as collateral are as follows:

<u>Asset items</u>	<u>Carrying amount</u>		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Other financial assets-current (listed as Other Current Assets)	\$ 16,960	\$ 28,736	For guarantee purpose Performance bond
Property, plant, and equipment	1,527,041	1,552,610	Long-term borrowings and guarantee quota
Other financial assets - non-current (listed as "other non-current assets")	91,856	91,819	Performance bond
	<u>\$ 1,635,857</u>	<u>\$ 1,673,165</u>	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

Please refer to Note 6(7).

(II) Commitments

Except those described in Note 6(6) and 7, other material commitments are as follows:

1. As of December 31, 2023, the total amount of the construction and decoration contracts entered into by the Group for construction projects was NT\$1,790,840. Amounts of

NT\$771,060 have been paid, and the remainder will be paid based on the stage of completion.

2. As of December 31, 2023, the amounts of letters of credit issued by the Group but not yet used are USD 139 thousand and EUR 106 thousand, respectively.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Other than those described in Notes 6(7), (15) and (23), there are no other significant subsequent events.

XII. Others

(I) Capital management

The Group's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell assets in order to adjust to reach the most suitable capital structure. The Group uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the net debt by the total capital. The net liabilities is equal to total borrowings (including "current and non-current borrowings" on the consolidated financial statements) deducting cash and cash equivalents. Total capital is the "equity" stated on the consolidated balance sheet plus net liabilities.

The strategy in 2023 of the Group maintained the same strategy of 2022. As of December 31, 2023 and 2022, the debt to total assets ratio was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total borrowings	\$ 3,520,000	\$ 3,810,000
Less: Cash and cash equivalents	( 300,262)	( 652,743)
Net debt	3,219,738	3,157,257
Total equity	<u>2,603,449</u>	<u>2,499,900</u>
Total capital	<u>\$ 5,823,187</u>	<u>\$ 5,657,157</u>
Debt-to-total-capital ratio	55.29%	55.81%

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 300,262	\$ 652,743
Financial assets measured by amortized cost – current	-	75,000
Notes receivable (including related parties)	173,990	162,706
Accounts receivable (including related parties)	1,117,559	756,625
Other receivables	4,286	573
Refundable deposits (listed as other non-current assets)	23,648	23,305
Other financial assets (listed as other current assets and other non-current assets)	108,816	120,555
Financial Assets at fair value through other comprehensive income acquired		
Equity instrument investments by the option to designate	<u>638,199</u>	<u>645,023</u>
	<u>\$ 2,366,760</u>	<u>\$ 2,436,530</u>

December 31, 2023      December 31, 2022

Financial liabilities

Financial liabilities are carried at amortized cost

Short-term borrowings	\$ 750,000	\$ 950,000
Short-term bills payable	269,936	309,832
Notes payable (including related parties)	137,298	105,991
Accounts payable (including related parties)	742,545	630,539
Other payables (including related parties)	240,433	214,080
Long-term borrowings (including due within one year or one operating cycle)	2,500,000	2,550,000
Guarantee deposits received (listed as other non-current liabilities)	<u>7,541</u>	<u>7,562</u>
	<u>\$ 4,647,753</u>	<u>\$ 4,768,004</u>

Lease liabilities - current and non-current

\$ 38,147      \$ 47,977

2. Risk management policies

- (1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) Risk management work is executed by the Group's Financial Department according to the policies approved by the Board of Directors. Through close cooperation with the various operating units of the Group, the Group's Financial Department is responsible for the identification, evaluation, and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### 3. Significant financial risks and degrees of financial risks

#### (1) Market risk

##### Foreign exchange risk

- A. The Group's risk management's objective is to manage currency exchange risk, interest risk, credit risk, and liquidity risk regarding operating activities. To reduce relevant financial risks, the Group is devoted to identifying, evaluating, and circumventing market uncertainties to mitigate the potential negative impacts on the company's financial performance due to market movements.
- B. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be affected by exchange rate fluctuations is as follow:

	December 31, 2023			<u>Sensitivity analysis</u>	
	<u>Amount in foreign currency (NT\$ Thousand)</u>	<u>Exchange rate measurement at the end of the period</u>	<u>Carrying amount (NT\$)</u>	<u>Range of variation</u>	<u>Effects on profit and loss</u>
(Foreign currency: Functional currency)					
Financial assets - Monetary items					
USD:NTD	\$ 57	30.71	\$ 1,750	1%	\$ 18
Financial liabilities - Monetary items					
USD:NTD	3,005	30.71	92,284	1%	923
EUR:NTD	31	33.98	1,053	1%	11

December 31, 2022					
					<u>Sensitivity analysis</u>
(Foreign currency: Functional currency)	<u>Amount in foreign currency (NT\$ Thousand)</u>	<u>Exchange rate measurement at the end of the period</u>	<u>Carrying amount (NT\$)</u>	<u>Range of variation</u>	<u>Effects on profit and loss</u>
Financial assets - Monetary items USD:NTD	\$ 43	30.71	\$ 1,321	1%	\$ 13
Financial liabilities - Monetary items USD:NTD	202	30.71	6,203	1%	62

C. Foreign exchange risk has significant impact on the Group, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were losses of NT\$2,041 and income NT\$2,118, for the years ended December 31, 2023 and 2022, respectively.

#### Price risk

- A. The Group's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, other comprehensive income due to classification to gains or losses of equity investments at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by NT\$6,382 and NT\$6,450.

#### Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises from short- and long-term borrowings with floating interest rates that expose the Group to cash flow interest rate risk. For 2023 and 2022, the borrowing of the Group at the floating interest rate was mainly calculated in NTD.
- B. The borrowing of the Group was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract.

Therefore, the Group is exposed to the risk of future market interest rate changes.

- C. If interest rates on borrowings had been 0.1% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2023 and 2022 would have increased/decreased NT\$2,600 and NT\$2,800, respectively, due to change of interest expenses of borrowings at variable interest rate.

## (2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to counterparties' inability to repay the accounts payable according to the payment terms.
- B. The Group established management of credit risk from the Group's perspective. According to the internally specified credit extension policy, before each operating entity and each new customer establish the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.
- C. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.
- D. The Group uses IFRS 9 to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.  
When the contractual payments are overdue from the payment terms for more than 30 days, it is deemed that the credit risks of the financial instrument significantly have increased since the initial recognition.
- E. The Group classifies the accounts payable of customers according to the characteristics of customer type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.
- F. After the collection procedures, the amount of financial assets that cannot be reasonably estimated will be written-off. However, the Group will continue to pursue the legal right of recourse to protect its claims.
- G. The Group used the forecasting ability of the Taiwan Institute of Economic Research report to adjust historical and timely information to assess the default possibility and estimate impairment provisions for accounts receivable (including

related parties) and contract assets (including related parties). As of December 31, 2023 and 2022, the loss rate methodology is as follows:

	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>December 31, 2023</u>			
Expected loss	0.01~0.03%	0.52~100%	
Total carrying amount	<u>\$ 1,187,126</u>	<u>\$ 315,314</u>	<u>\$ 1,502,440</u>
Allowance for losses	<u>\$ 92</u>	<u>\$ 7,052</u>	<u>\$ 7,144</u>
	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>December 31, 2022</u>			
Expected loss	0.01~0.03%	0.26%~100%	
Total carrying amount	<u>\$ 969,430</u>	<u>\$ 203,395</u>	<u>\$ 1,172,825</u>
Allowance for losses	<u>\$ 121</u>	<u>\$ 3,406</u>	<u>\$ 3,527</u>

Group 1: Sales counterparty established for 10 years and more, or accounts receivables arising from transactions with related parties and contracts for public construction or to debtors who have high probability of performing the payment financially.

Group 2: Sales counterparty established for less than 10 years, or those who have general payment performance ability.

H. The accounts receivable allowance loss change table under the simplified approach of the Group is as follows:

	<u>2023</u>	<u>2022</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 3,527	\$ 3,862
Provision of impairment loss	3,617	-
Reversal of impairment loss	-	( 335)
December 31	<u>\$ 7,144</u>	<u>\$ 3,527</u>

### (3) Liquidity risk

A. Cash flow forecasting is performed by each of the operating entities of the Group and aggregated by the Finance Department. The Department also monitors the projections for the Group's need for funds to ensure that there is sufficient funding to support operating requirements.

B. For the remaining cash held by each of the operating entities, when it exceeds the management needs of operating capital, it then invests the remaining capital in the savings deposit with interest and equivalent cash - short-term notes and bills, etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level.

C. Details of the loan credit not yet drawn down by the Group are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Due within one year	\$ 800,000	\$ 431,829
Due longer than one year	<u>1,067,185</u>	<u>886,103</u>
	<u>\$ 1,867,185</u>	<u>\$ 1,317,932</u>

D. The table below analyzes the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Derivative financial liabilities are analyzed on the remaining period at the balance sheet date to the expected maturity date. The amounts disclosed in the following table are the contractual undiscounted cash flows:

<u>Non-derivative financial liabilities:</u>			
December 31, 2023	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 750,000	\$ -	\$ -
Short-term notes and bills payable (Note)	270,000	-	-
Notes payable (including related parties)	136,384	914	-
Accounts payable (including related parties)	259,772	383,553	99,220
Other payables (including related parties)	194,604	30,429	15,400
Lease liabilities - current (Note)	9,353	11,133	-
Long-term borrowings (Note)	11,061	33,183	2,524,684

Lease liabilities - non-current (Note)	-	-	18,095
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541

Note: The amount includes the expected interest to be paid in the future.

Non-derivative financial liabilities:  
December 31, 2022

	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 950,000	\$ -	\$ -
Short-term notes and bills payable (Note)	310,000	-	-
Notes payable (including related parties)	105,277	714	-
Accounts payable (including related parties)	250,182	323,517	56,840
Other payables (including related parties)	210,310	95	3,675
Lease liabilities - current (Note)	7,476	11,451	-
Long-term borrowings (including due within one year or one operating cycle) (Note)	11,264	581,076	2,017,250
Lease liabilities - non-current (Note)	-	-	29,807
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,562

Note: The amount includes the expected interest to be paid in the future.

(III) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical Assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments other than those measured at fair value

The carrying amount of the Group's cash and cash equivalents and the financial instruments measured at amortized cost, including notes receivable (including related parties), accounts receivable (including related parties), other receivables, other financial assets, guarantee deposits paid, short-term borrowings, short-term notes payable, notes payable (including related parties), accounts payable (including related parties), other payables (including related parties), other long-term borrowings, and guarantee deposits received are approximate to their fair values.

3. The related information of financial and non-financial instruments measured at fair value by level on the basis of the natures, characteristic and risk, and fair value of the assets is as follows:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	<u>\$ 638,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,199</u>
December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	<u>\$ 645,023</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,023</u>

4. The Group's financial instruments are traded in active markets, their fair value is measured based on the market quotation at the end of the balance sheet date. The market is deemed to be an active market when the quotation can be obtained instantly and regularly from the stock exchange, dealer, broker, industry, rating agencies, and regulatory body, and that the quotation represents the actual and regular market transactions conducted under the basis of a normal transaction. The market price of the financial assets held by the Group is the closing market price. These instruments belong to Level 1. Level 1 instruments are mainly equity instruments. Their classification is financial assets at fair value through other comprehensive income.
5. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

### XIII. Separately Disclosed Items

#### (I) Information on significant transactions

1. Loans to others: None.
2. Endorsement/guarantee provided for others: None.
3. Holding of marketable securities at the end of the period (not including subsidiaries): Please refer to Table 1.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 2.
8. Receivables from related parties reaching NT\$ 100 million or 20% of paid-in capital or more: Please refer to Table 3.
9. Engaged in trading of derivative instruments undertaken during the reporting periods: None.
10. Business relationships and significant intercompany transactions and amounts between a parent and its subsidiary company, or between its subsidiaries: Transaction amounts reaching NT\$10,000 thousand shall be disclosed in terms of assets and revenue. There are no business relationships or important transactions between the parent and subsidiaries amounting to \$10,000 thousand or more in 2023.

(2) Information on investees

Names, locations, and other information of investees: Please refer to Table 4.

(3) Information regarding investment in China

None.

(4) Information on main investors

Please refer to Table 5.

XIV. Information on operating segments

(I) General information

The Group's management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

(II) Measurement of segment information

1. The accounting policies of the Group's reportable operating segments is in a manner consistent with the significant accounting policies provided in Note 4.

2. The profit or loss for the operating segments of the Group is measured based on the operating net income (loss).

(III) Information on Departments

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	2023			
	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
External revenue	\$ 2,052,721	\$ 1,910,856	\$ 1,537,295	\$ 5,500,872
Internal departmental revenue	-	8,929	-	8,929
Departmental revenue	<u>\$ 2,052,721</u>	<u>\$ 1,919,785</u>	<u>\$ 1,537,295</u>	<u>\$ 5,509,801</u>
Net operating profit from the segment	<u>\$ 85,073</u>	<u>\$ 22,932</u>	<u>\$ 182,303</u>	<u>\$ 290,308</u>
Segment income (loss) includes:				
Depreciation expense	\$ 186,736	\$ 49,287	\$ 9,166	\$ 245,189
Amortization	924	7,436	200	8,560
	<u>\$ 187,660</u>	<u>\$ 56,723</u>	<u>\$ 9,366</u>	<u>\$ 253,749</u>

	2022			
	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
External revenue	\$ 1,670,900	\$ 1,500,184	\$ 1,078,091	\$ 4,249,175
Internal departmental revenue	-	3,477	565	4,042
Departmental revenue	<u>\$ 1,670,900</u>	<u>\$ 1,503,661</u>	<u>\$ 1,078,656</u>	<u>\$ 4,253,217</u>
Operating net income (loss) from the segment	<u>(\$ 2,197)</u>	<u>\$ 14,493</u>	<u>\$ 123,968</u>	<u>\$ 136,264</u>
Segment income (loss) includes:				
Depreciation expense	\$ 161,636	\$ 49,992	\$ 7,946	\$ 219,574
Amortization	563	8,900	213	9,676
	<u>\$ 162,199</u>	<u>\$ 58,892</u>	<u>\$ 8,159</u>	<u>\$ 229,250</u>

(IV) Reconciliation for segment income (loss)

When the Chief Operating Decision-Maker of the Group evaluates the segment performance and allocates resources, the foundation for the judgement is based on the net operating profit. Reconciliation for current net operating profit/income before tax from the reportable segment is as follows:

	<u>2023</u>	<u>2022</u>
Net operating profit from the segment	\$ 290,308	\$ 136,264
Interest revenue	3,843	2,424
Interest Cost	( 64,286)	( 40,654)
Other items	24,563	38,287
Net income before tax from the segment	<u>\$ 254,428</u>	<u>\$ 136,321</u>

(V) Information on products and services

Revenue mainly comes from the sale of cement and building materials and contracts of construction. The statement of the revenue balance is the same as departmental information on external revenue in Note 14(3).

(VI) Geographical information

Geographical information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Income</u>	<u>Non-current assets</u>	<u>Income</u>	<u>Non-current assets</u>
Taiwan	<u>\$ 5,500,872</u>	<u>\$ 3,874,220</u>	<u>\$ 4,249,175</u>	<u>\$ 3,798,764</u>

The Group's geographical revenue was calculated based on regions in which the payments were received. Non-current assets included property, plants, and equipment, right-of-use assets, intangible assets and prepayments for business facilities, and excluded financial instruments.

(VII) Major customer information

Details of customers whose revenue of the Group accounts for more than 10% of the operating income on the consolidated statement of comprehensive income are as follows:

2023				
	<u>Total revenue</u>	<u>Cement Business Division</u>	<u>Building Materials Division</u>	<u>Contract of construction</u>
Customer A	\$ 793,661	\$ 793,661	-	-

2022				
	<u>Total revenue</u>	<u>Cement Business Division</u>	<u>Building Materials Division</u>	<u>Contract of construction</u>
Customer A	\$ 680,903	\$ 680,903	-	-

Ruentex Materials Co., Ltd. and its subsidiaries

Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)

December 31, 2023

Attached Table 1

Unit: NT\$ thousands

<u>Company holding the securities</u>	<u>Type and name of the securities</u> (Note 1)	<u>Relationship with the securities issuer</u> (Note 2)	<u>Account recognized</u>	<u>Number of shares</u>	<u>End of the period</u>		<u>Fair value</u>	<u>Remark (Note 4)</u>
					<u>Carrying amount</u> (Note 3)	<u>Shareholding percentage</u>		
Ruentex Materials Co., Ltd.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the ultimate parent company of the Company	Financial assets at fair value through other comprehensive income - non-current	7,200,236	\$ 462,975	0.65	\$ 462,975	
	Shares of OBI Pharma, Inc.	The direct parent company's representative of the juridical person director is the representative of the juridical person director of the company	Financial assets at fair value through other comprehensive income - non-current	117,337	8,143	0.05	8,143	
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the ultimate parent company of the Company	Financial assets at fair value through other comprehensive income - non-current	2,598,464	167,081	0.24	167,081	

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above within the scope of IFRS No.9.

Note 2: Not required to be filled in for the issuers of securities that are not related parties.

Note 3: Please fill in the value carried at adjusted fair value less accumulated impairment losses for those measured at fair value and the value varied at acquisition cost or amortized cost less accumulated impairment losses for those not measured at fair value.

Note 4: The securities listed that are limited to their use due to the provision of security, pledge loans or others in accordance with the contract shall indicate the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the limits on the use in the in the column of "Remarks".

Ruentex Materials Co., Ltd. and its subsidiaries

Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

January 1 to December 31, 2023

Attached Table 2

Unit: NT\$ thousands

(Except as Otherwise Indicated)

<u>The company making the purchase (sale) of goods</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Purchase (sale) of goods</u>	<u>Transaction conditions</u>		<u>Credit period</u>	<u>Unit price</u>	<u>Credit period</u>	<u>Balance</u>	<u>Notes receivable/payable and accounts receivable/payable</u>	<u>As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)</u>	<u>Remark (Note 2)</u>
				<u>Amount</u>	<u>As a percentage of total purchases (sales) of goods (Note 4)</u>							
Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Direct parent company of the Company	Sales of goods/Contract of construction	\$ 151,752	3.81	The amount shall be collected in accordance with the term of the construction/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/sales contract	\$ 32,087		3.88	
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	The ultimate parent company	Sales of goods/Contract of construction	350,667	23.04	The amount shall be collected in accordance with the term of the construction/services/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/services/sales contract	51,451		11.05	
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	Project solicitation	295,611	19.43	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	146,567		31.46	

Note 1: If the terms and conditions of transaction with the related parties are different from the general terms and conditions of transaction, the difference and the reason for any such difference shall be specified in the column of unit price and the credit period.

Note 2: In the case of prepayments in advance (or advance receipts), the reasons, the terms and conditions of the contract, the amount and the difference between the general type of transactions shall be specified in the column of Remarks.

Note 3: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 4: Calculate from the perspective of the entity of the company making the purchase (sale) of goods.

Ruentex Materials Co., Ltd. and its subsidiaries

Accounts receivable due from related parties amounting to at least \$100 million or 20% of the paid-in capital

December 31, 2023

Attached Table 3

Unit: NT\$ thousands  
(Except as Otherwise Indicated)

<u>The company recognized as</u> <u>receivables</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Balance of accounts receivable</u> <u>due from related parties</u>		<u>Overdue accounts receivable due from related parties</u>			<u>Period of receivables from</u> <u>related parties amount</u> <u>recovered later</u>		<u>Amount of loss allowance</u>
			<u>(Note 1)</u>	<u>Turnover</u>	<u>Amount</u>	<u>Approach to handling</u>	<u>recovered later</u>			
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	\$ 146,567	4.03 \$	-	\$ -	\$ 139,239	\$ -		

Note 1: Please fill in the value separately according the accounts receivable, notes receivable and other receivables.

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Ruentex Materials Co., Ltd. and its subsidiaries

The name of the invested company, the location and other relevant information (excluding the invested companies in China)

January 1 to December 31, 2023

Attached Table 4

Unit: NT\$ thousands

<u>Name of the investing company</u>	<u>Type and name of the securities</u>	<u>Location</u>	<u>Main business items</u>	<u>Original investment amount</u>		<u>Holding at the end of period</u>			<u>Current profit and loss</u>	<u>Gains and losses on investment recognized</u>	<u>Remark</u>
				<u>End of the current period</u>	<u>End of last year</u>	<u>Shares</u>	<u>Percentage</u>	<u>Carrying amount</u>	<u>of the investee company</u>	<u>for the current period</u>	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Interior design	\$ 126,721	\$ 126,721	4,750,000	35.19	\$ 174,927	\$ 148,069	\$ 52,098	Subsidiaries

Ruentex Materials Co., Ltd. and its subsidiaries

Information on main investors

December 31, 2023

Attached Table 5

<u>Name of Major Shareholders</u>	<u>Number of shares held</u>	<u>Shares</u>	<u>Shareholding percentage</u>
Ruentex Engineering & Construction Co., Ltd.	58,726,917		39.15
Ruentex Development Co., Ltd.	15,740,381		10.49
Fu, Cheng-Ping	9,200,000		6.13

## 【Appendix 2】

Ruentex Materials Co., Ltd.  
Unconsolidated Financial Statements and Report  
of Independent Accountants  
2023 and 2022  
(Stock Code: 8463)

Company Address: 10F., No. 308, Sec. 2, Bade Rd.,  
Taipei City  
Telephone: (02) 8161-9989

Ruentex Materials Co., Ltd.

Unconsolidated Financial Statements and Report of Independent Accountants of 2023  
and 2022  
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## Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23003253

To the Board of Directors of Ruentex Materials Co., Ltd.:

### **Audit Opinions**

We have audited the accompanying financial statements of Ruentex Materials Co., Ltd., which comprise the unconsolidated balance sheets as of December 31, 2023 and 2022 and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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.

### **Basis of Audit Opinions**

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated 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 Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidences have been obtained as a basis to express opinion of the audit.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit opinion of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's unconsolidated financial statements for the year ended December 31, 2023 are stated as follows:

## **Assessment on Recognition of Construction Contract Income - Construction Completion Progress**

### Description of Key Audit Matters

Regarding the accounting policy on operating revenue recognition, please refer to Note 4(24) of the unconsolidated financial report. For the critical accounting estimates and assumptions, please refer to Note 5. For the operating revenue, please refer to Note 6(17).

Ruentex Materials Co., Ltd. and its subsidiaries' (investments accounted for using the equity method) construction contract revenue was calculated based on the percentage of completion method and according to the completion progress during the construction contract period. The construction progress was calculated based on the percentage of the cost incurred for each construction contract up to the end of the financial report period over the expected total cost for such construction contract. The aforementioned estimation of the expected total cost was provided by the Group based on its estimation of various construction costs required for contracting works and material/labor expenses, etc. according to the quantitative units of design and construction drawings, etc. of owners along with the fluctuation of the current market price at that time.

Since the estimation of construction total cost can affect the recognition of construction completion progress and the construction contract income, and since the construction total cost items are complicated and often involving high degree of estimation, such that it can cause major uncertainty, consequently, we've considered listing the assessment on the construction completion progress used in the recognition of construction contract income as one of the key matters in this year's audit.

### Corresponding Audit Procedures

The procedures that we have conducted in response to the construction completion progress by Ruentex Materials Co., Ltd. and its subsidiaries (accounted in equity method investments) of the above-mentioned key audit matter are summarized as follows:

1. Based on our understanding of the business operation and nature of the industry of Ruentex Materials Co., Ltd. and its subsidiaries, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of construction drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expenses) and the consistency of the estimation method.

2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.

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

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to being a going concern and using the going concern basis of accounting unless management intends to either liquidate the Company's 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.

### **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatement may be caused by fraud or error. Misstatements 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 unconsolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. Also:

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidences in order to be used as the basis for the audit 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. We 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 unconsolidated financial statements or, if such disclosures are inadequate, to modify our audit 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Company and provide opinions on its respective unconsolidated financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the audit opinion for the Company.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also

communicated with the governance units on all relationships and other matters, including relevant protective measure, that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the unconsolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude 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.

PwC Taiwan

Huang, Chin-Lien

Certified Public Accountant

Chang, Shu-Chiung

Financial Supervisory Commission

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No.  
1100348083

Former Financial Supervisory Commission, Executive  
Yuan

Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No.  
0990042602

March 13, 2024

Ruentex Materials Co., Ltd.  
Unconsolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current Assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 117,345	2	\$ 432,571	7
1140	Contract asset - current	6(17) and 7	12,738	-	11,833	-
1150	Net notes receivable	6(2)	168,487	3	150,528	2
1160	Notes receivable - related parties - net	6(2) and 7	3,895	-	350	-
1170	Net accounts receivable	6(2)	616,919	10	600,158	9
1180	Accounts receivable - related parties - net	6(2) and 7	37,263	1	39,666	1
1220	Current tax assets		87	-	6,093	-
130X	Inventories	6(3)	732,818	11	703,318	11
1410	Prepayments		32,366	-	19,307	-
1470	Other current assets	6(1) and 8	1,451	-	5,159	-
11XX	<b>Total current assets</b>		<u>1,723,369</u>	<u>27</u>	<u>1,968,983</u>	<u>30</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non-current	6(4) and 7	471,118	7	476,123	7
1550	Investments accounted for using equity method	6(5)	174,927	3	159,254	3
1600	Property, plant, and equipment	6(6), 7, and 8	3,664,071	58	3,544,980	54
1755	Right-of-use assets	6(7)	13,261	-	19,757	-
1780	Intangible assets	6(8)	170,099	3	172,937	3
1840	Deferred tax assets	6(25)	28,821	-	28,536	1
1900	Other non-current assets	6(1) and 8	114,192	2	148,383	2
15XX	<b>Total non-current assets</b>		<u>4,636,489</u>	<u>73</u>	<u>4,549,970</u>	<u>70</u>
1XXX	<b>Total Assets</b>		<u>\$ 6,359,858</u>	<u>100</u>	<u>\$ 6,518,953</u>	<u>100</u>

(Continued)

Ruentex Materials Co., Ltd.  
Unconsolidated Balance Sheet  
December 31, 2023 and 2022

Unit: NT\$ thousands

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(9) and 8	\$ 750,000	12	\$ 950,000	15
2110	Short-term notes and bills payable	6(10)	269,936	4	309,832	5
2130	Contract liabilities - current	6(17) and 7	27,213	-	24,264	-
2150	Notes payable		95,347	2	57,808	1
2160	Notes payable - related party	7	721	-	1,864	-
2170	Accounts payable		214,402	3	201,322	3
2180	Accounts payable - related party	7	2,058	-	1,802	-
2200	Other payables	6(11)	171,164	3	169,821	3
2220	Other Payable - Related Party	7	387	-	373	-
2230	Income tax liabilities of current period		7,843	-	-	-
2280	Lease liabilities - current	6(7)	12,167	-	11,325	-
2320	Long-term liabilities due within one year or one operating cycle	6(12) and 8	-	-	550,000	8
2399	Other current liabilities - other		1,383	-	1,341	-
21XX	<b>Total current liabilities</b>		<u>1,552,621</u>	<u>24</u>	<u>2,279,752</u>	<u>35</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(12) and 8	2,500,000	40	2,000,000	31
2570	Deferred tax liabilities	6(25)	20	-	30	-
2580	Lease liabilities - non-current	6(7)	7,159	-	12,828	-
2600	Other non-current liabilities		18,843	-	19,806	-
25XX	<b>Total non-current liabilities</b>		<u>2,526,022</u>	<u>40</u>	<u>2,032,664</u>	<u>31</u>
2XXX	<b>Total Liabilities</b>		<u>4,078,643</u>	<u>64</u>	<u>4,312,416</u>	<u>66</u>
<b>Equity</b>						
Capital						
3110	Share capital	6(14)	1,500,000	23	1,500,000	23
Capital surplus						
3200	Capital surplus	6(15)	677,124	11	711,624	11
Retained earnings						
3310	Legal reserve	6(16)	50,770	1	46,925	1
3320	Special reserve		50,317	1	15,717	-
3350	Undistributed earnings		114,756	2	38,445	1
Other equities						
3400	Other equities		( 111,752)	( 2)	( 106,174)	( 2)
3XXX	<b>Total Equity</b>		<u>2,281,215</u>	<u>36</u>	<u>2,206,537</u>	<u>34</u>
Significant contingent liabilities and unrecognized commitments						
Significant subsequent events						
3X2X	<b>Total Liabilities and Equity</b>		<u>\$ 6,359,858</u>	<u>100</u>	<u>\$ 6,518,953</u>	<u>100</u>

The accompanying notes are an integral part of these unconsolidated financial statements, please refer to them all.

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd.  
Unconsolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands  
(Except earnings per share, which is in NT\$)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operation Income	6(17) and 7	\$ 3,988,001	100	\$ 3,190,424	100
5000	Operation Cost	6(3)(8)(13)(18) (23)(24) and 7	( 3,652,049)	( 92)	( 2,984,345)	( 94)
5900	Gross Profit		<u>335,952</u>	<u>8</u>	<u>206,079</u>	<u>6</u>
	Operating Expenses	6(8)(13)(23) (24) and 7				
6100	Selling expenses		( 75,705)	( 2)	( 66,143)	( 2)
6200	General & administrative expenses		( 86,719)	( 2)	( 84,686)	( 3)
6300	R&D expenses		( 54,234)	( 1)	( 40,217)	( 1)
6450	Expected credit impairment (losses) gains	12(2)	( 3,617)	-	335	-
6000	Total Operating Expenses		( 220,275)	( 5)	( 190,711)	( 6)
6900	Operating Profit		<u>115,677</u>	<u>3</u>	<u>15,368</u>	<u>-</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(19)	2,083	-	1,017	-
7010	Other income	6(20)	19,614	1	31,193	1
7020	Other gains and losses	6(21)	( 2,696)	-	1,086	-
7050	Financial Costs	6(22)	( 64,055)	( 2)	( 40,385)	( 1)
7070	Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(5)	<u>52,098</u>	<u>1</u>	<u>37,858</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>7,044</u>	<u>-</u>	<u>30,769</u>	<u>1</u>
7900	<b>Net profit before tax</b>		<u>122,721</u>	<u>3</u>	<u>46,137</u>	<u>1</u>
7950	Income tax expense	6(25)	( 7,738)	-	( 8,029)	-
8200	<b>Net income of current period</b>		<u>\$ 114,983</u>	<u>3</u>	<u>\$ 38,108</u>	<u>1</u>
	<b>Other comprehensive income (net)</b>					
	<b>Items not to be reclassified into profit or loss</b>					
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(4)	(\$ 5,005)	-	(\$ 89,470)	( 3)
8330	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items not to be reclassified into profit or loss		( 800)	-	( 1,634)	-
8310	Total of items not to be reclassified into profit or loss		( 5,805)	-	( 91,104)	( 3)
8500	<b>Total Comprehensive Income Current Period</b>		<u>\$ 109,178</u>	<u>3</u>	<u>(\$ 52,996)</u>	<u>( 2)</u>
	Earnings per share	6(27)				
9750	Basic earnings per share		<u>\$ 0.77</u>		<u>\$ 0.25</u>	
9850	Diluted earnings per share		<u>\$ 0.77</u>		<u>\$ 0.25</u>	

The accompanying notes are an integral part of these unconsolidated financial statements, please refer to them all.

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd.  
Unconsolidated Equity Statement  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	Capital surplus			Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired	Total Equity	
		Share capital	Issued at premium	Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Legal reserve	Special reserve			Undistributed earnings
<u>2022</u>										
Balance on January 1, 2022		\$ 1,500,000	\$ 656,157	\$ -	\$ 40,391	\$ 121,605	\$ 44,086	(\$ 103,049 )	(\$ 15,717 )	\$ 2,243,473
Net income of current period		-	-	-	-	-	-	38,108	-	38,108
Other comprehensive income		-	-	-	-	-	-	337	( 91,441 )	( 91,104 )
Total Comprehensive Income Current Period		-	-	-	-	-	-	38,445	( 91,441 )	( 52,996 )
Profit reversed as special reserve	6(16)	-	-	-	-	-	( 28,369 )	28,369	-	-
Deficit offset by legal reserve	6(16)	-	-	-	-	( 74,680 )	-	74,680	-	-
Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	6(5)(26)	-	-	15,076	-	-	-	-	984	16,060
Balance on December 31, 2022		\$ 1,500,000	\$ 656,157	\$ 15,076	\$ 40,391	\$ 46,925	\$ 15,717	\$ 38,445	(\$ 106,174 )	\$ 2,206,537
<u>2023</u>										
Balance on January 1, 2023		\$ 1,500,000	\$ 656,157	\$ 15,076	\$ 40,391	\$ 46,925	\$ 15,717	\$ 38,445	(\$ 106,174 )	\$ 2,206,537
Net income of current period		-	-	-	-	-	-	114,983	-	114,983
Other comprehensive income		-	-	-	-	-	-	( 227 )	( 5,578 )	( 5,805 )
Total Comprehensive Income Current Period		-	-	-	-	-	-	114,756	( 5,578 )	109,178
Appropriation and distribution of the earnings for 2022:	6(16)									
Profit set aside as legal reserve		-	-	-	-	3,845	-	( 3,845 )	-	-
Provision of special reserves		-	-	-	-	-	34,600	( 34,600 )	-	-
Distribution of cash dividends from capital surplus	6(16)	-	( 34,500 )	-	-	-	-	-	-	( 34,500 )
Balance on December 31, 2023		\$ 1,500,000	\$ 621,657	\$ 15,076	\$ 40,391	\$ 50,770	\$ 50,317	\$ 114,756	(\$ 111,752 )	\$ 2,281,215

The accompanying notes are an integral part of these unconsolidated financial statements, please refer to them all.

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd.  
Unconsolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023	2022
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 122,721	\$ 46,137
Adjustments			
Income and expenses			
Depreciation expense	6(6)(7)		
	(23)	235,969	211,670
Depreciation and amortization expenses	6(8)(23)	8,362	9,465
Expected credit impairment (losses) gains	12(2)	3,617	( 335 )
Interest Cost	6(22)	64,055	40,385
Interest revenue	6(19)	( 2,083 )	( 1,017 )
Dividend income	6(20)	( 14,400 )	( 27,201 )
Share of other comprehensive gains of subsidiaries, affiliates, and joint ventures recognized using the equity method	6(5)		
		( 52,098 )	( 37,858 )
Gains on lease modifications	6(7)(21)	-	( 175 )
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contract asset		( 905 )	( 597 )
Notes receivable		( 17,959 )	( 40,351 )
Bills receivable - related parties		( 3,545 )	7,208
Accounts receivable		( 20,378 )	( 251,598 )
Account Receivable - Related Party		2,403	( 25,490 )
Inventories		( 29,500 )	( 143,543 )
Prepayments		( 13,059 )	12,205
Other Current Assets		( 1,346 )	70
Net change in liabilities related to operating activities			
Contract liabilities - current		2,949	( 10,984 )
Notes payable		37,539	( 16,597 )
Notes payable - related party		( 1,143 )	1,647
Accounts Payable		13,080	28,360
Accounts payable - related party		256	654
Other payables		20,315	19,944
Other Payable - Related Party		14	189
Other Current liabilities		42	( 46 )
Other non-Current liabilities		( 963 )	( 961 )
Cash inflow (outflow) from operations		353,943	( 178,819 )
Interest received		2,072	986
Dividends received		50,025	53,451
Interest paid		( 64,051 )	( 39,578 )
Income tax paid		( 190 )	( 1,302 )
Income tax refunded		6,006	2,685
Net cash inflow (outflow) from operating activities		347,805	( 162,577 )

(Continued)

Ruentex Materials Co., Ltd.  
Unconsolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousands

	Notes	2023	2022
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at fair value	6(28)		
through other comprehensive income		\$ -	(\$ 354,658)
Decrease in other financial assets - current		5,065	35,156
Real estate, plant and equipment acquired	6(28)	( 316,774 )	( 261,965 )
Acquisition of intangible assets	6(8)	( 5,524 )	( 24,140 )
Decrease (increase) in refundable deposits		( 100 )	515
Increase in prepayments for equipment		( 15,582 )	( 47,839 )
Increase in other financial assets - current		( 37 )	( 91,819 )
Cash used in investing activities		<u>( 332,952 )</u>	<u>( 744,750 )</u>
<u>Cash flows from financing activities</u>			
Increase (decrease) in short-term borrowings	6(29)	( 200,000 )	950,000
Increase (decrease) in short-term notes and bills payable	6(29)	( 40,000 )	70,000
Proceeds from long-term borrowings	6(29)	1,200,000	530,000
Repayments of long-term borrowings	6(29)	( 1,250,000 )	( 480,000 )
Principal elements of lease payments	6(29)	( 5,579 )	( 14,873 )
Cash dividends paid	6(16)	( 34,500 )	-
Disposal of equity in subsidiaries (without losing control)	6(5)	-	29,910
Net cash generated from (used in) financing activities		<u>( 330,079 )</u>	<u>1,085,037</u>
Increase (decrease) of cash and cash equivalents – current period		( 315,226 )	177,710
Cash and cash equivalents, beginning of period		<u>432,571</u>	<u>254,861</u>
Cash and cash equivalents, end of period		<u>\$ 117,345</u>	<u>\$ 432,571</u>

The accompanying notes are an integral part of these unconsolidated financial statements, please refer to them all.

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd.  
Notes to Financial Statements  
2023 and 2022

Unit: NT\$ thousands  
(Except as Otherwise Indicated)

I. History and Organization

Ruentex Materials Co., Ltd. (hereinafter referred to as the “Company”), was incorporated in September 1992 under the laws of the Republic of China (ROC) and began operations in July 2009. It was formerly known as “Ruentex Cement Co., Ltd.”. In December 2013, the Company changed its name to “Ruentex Materials Co., Ltd.”. The main businesses of the Company are (1) The manufacture and distribution of semi-finished products and manufactured goods for cement, (2) The mining, manufacturing, and distribution of cement raw materials and mining and distribution of mineral ore, (3) Quarrying, (4) Building materials development, manufacture, and distribution, (5) Manufacture and sale of clay used for wall primer, powder coating material, tile adhesive, self-leveling cement, and dry-mixed cement mortar applications. Ruentex Engineering & Construction Co., Ltd. holds 39.15% equity of the Company. Ruentex Development Co., Ltd. is the ultimate parent company of the Company. The Company has been listed for trading on the Taipei Stock Exchange (TWSE) since July 13, 2015.

II. Date and Procedure for Approval of Financial Statements

The unconsolidated financial statements were authorized for issuance by the Company’s board of directors on March 13, 2024.

III. Application of New, Amended and Revised Standards and Interpretations

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed and issued by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed and issued by FSC effective from 2022 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 - “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023
Amendments to IAS 12 “International tax reform - Pillar Two model rules”	May 23, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and operating result based on the Company’s assessment.

(II) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”) as endorsed by FSC

New standards, interpretations and amendments endorsed by FSC effective from 2024 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 16, “Lease Liability in a Sale and Leaseback”	January 1, 2024
Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”	January 1, 2024

The above standards and interpretations have no significant impact to the Company’s financial condition and operating result based on the Company’s assessment.

(III) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
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 the International Accounting Standards Board (IASB)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The above standards and interpretations have no significant impact to the Company’s financial condition and operating result based on the Company’s assessment.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

The unconsolidated financial statements were prepared in accordance with the ‘Regulations Governing the Preparation of Financial Reports by Securities Issuers’.

(II) Basis of preparation

1. Except for the following items, these unconsolidated financial statements have been prepared under the historical cost convention:

Financial assets at fair value through other comprehensive income.

2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(III) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The Company’s financial statements are presented in “New Taiwan dollars”, which is the Company’s functional currency.

Foreign currency translation and balances

1. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

2. Monetary Assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

3. Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary Assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date. Their translation differences are recognized in other comprehensive income. However, non-monetary Assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

4. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(IV) Classification of Current and non-Current items

1. Assets that meet one of the following criteria are classified as Current Assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Assets that are expected to be realized within 12 months from the balance sheet date;
- (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.

Assets that do not meet the above criteria are classified as non-Current assets.

2. Liabilities that meet one of the following criteria are classified as Current liabilities:

- (1) Liabilities that are expected to be settled within the normal operating cycle;
- (2) Assets held mainly for trading purposes;
- (3) Liabilities that are to be settled within 12 months from the balance sheet date;
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Liabilities that do not meet the above criteria are classified as non-Current liabilities.

3. The operating cycles of construction contracts are usually longer than one year, so assets and liabilities in relation to operation and long-term construction contracts are classified as current or non-current according to the length of their operating cycles.

(V) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(VI) Financial Assets at fair value through other comprehensive income acquired

1. It refers to an irrevocable choice made during the initial recognition, and the fair value change of the equity tool investment not held for trading is listed in the other comprehensive income.
2. On a regular way purchase or sale basis, financial Assets at fair value through comprehensive income are recognized and derecognized using settlement date accounting.
3. The Company initially recognized the financial Assets at fair value through profit or loss are initially recognized at fair value, and subsequently, they were measured and stated at fair value:

The fair value change of equity tool is recognized under the other comprehensive income, and during the derecognition, the cumulative profit or loss previously recognized under the other comprehensive income should not be re-categorized into income, but should be listed under the retained earnings. When the right for dividend receipts is confirmed, the economic benefit related to the dividend may be received as income, and when the dividend amount can be reliably measured, the Company then recognizes it as dividend income.

(VII) Notes and accounts receivable

1. Refer to accounts and notes to be received due to transfer of commodities or labors already performed unconditionally in exchange for the right for consideration amount according to the contract terms.
2. However, short-term notes and accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(VIII) Impairment of financial assets

The Company assesses the financial Assets at amortized cost at each balance sheet date, and after considering all reasonable and evidentiary information (including prospective information), measure the loss allowance according to the 12-month expected credit loss for the financial Assets without significant increase of credit risk after the initial recognition. For the financial Assets with credit risk already increased significantly after the initial recognition, loss allowance is measured according to the expected credit loss amount during the existence period. For the accounts receivable or contract Assets without material financial composition, the loss allowance is measured according to the expected credit loss during the existence period.

(IX) Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to receive cash flows from the financial asset expire.

(X) Lease transactions of lessor - operating lease

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XI) Inventories

The perpetual inventory system is adopted. The inventory is measured based on the cost and net realizable value, whichever is lower, and determined using the weighted average approach. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (amortized based on normal productivity) but does not include borrowing costs. Comparing the cost and the net realizable value to see which is lower, the item-by-item comparison approach is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary

course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(XII) Investment using the equity method - Subsidiaries

1. Subsidiaries are all entities (including structural entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.
4. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit (loss) of the Current period and other comprehensive income in the unconsolidated financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the unconsolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statement.

(XIII) Property, plant, and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the interest is capitalized over the acquisition and construction period.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of real estate, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
4. The Assets' residual values, useful lives and depreciation methods are reviewed, and

adjusted if appropriate, at each financial year-end. If expectations for the Assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the Assets' future economic benefits embodied in the Assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings 2 - 50 years

Machinery and equipment 2 - 25 years

Transportation equipment 2 - 5 years

Office equipment 3 - 5 years

Lease of assets for 3 - 5 years

Miscellaneous equipment 2 - 10 years

(XIV) Lessees' lease transactions - right-of-use assets/lease liabilities

1. The lease assets are recognized as the right-of-use assets and lease liabilities on the date available to the Company. If the lease contracts are short-term lease or low-value underlying asset lease, the lease payments are recognized as expenses during the lease terms with the straight line method.
2. From the starting date of lease, the lease liabilities are recognized at the current values of the unpaid lease payments discounted with the Company's incremental lending rate; the lease payments include the fixed payments deducting the receivable lease incentives. Subsequently, they are measured at the amortized costs based on the interest method, and recognized as the interest expenses during the lease terms. Shall the lease terms or lease payments change due to the non-contractual modifications, the lease liabilities will be measured again, and the re-measurements will be used to adjust the right-of-use assets.
3. The right-of-use assets are recognized as the costs on the starting date of leases. The costs include the original measured amount of the lease liabilities. Subsequently, they are measured at the costs; the depreciation expenses are recognized at the end of useful lives, or the expiry of the lease terms, whichever is earlier. Shall the lease liabilities be reassessed, the right-of-use assets will adjust any re-measurement of the lease liabilities.
4. For lease modifications that reduce the scope of a lease, the lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognize the difference between the reduced carrying amount and the remeasurements of the lease liabilities in the profit or loss.

(XV) Intangible assets

1. Mineral rights

Based on expected number of units the mineral resource should produce, depreciation is

calculated using the unit of production method. If there is any change to the expected production units, the depreciation per unit is recalculated using the assets' carrying amount, and the depreciation recognized in the prior years is not restated.

2. Trademark, patent rights and service concession

Trademarks, patent rights, and service concessions are stated as acquisition cost. They are amortized on a straight line basis with their useful lives of 10 years.

3. Computer software

Computer software is stated at acquisition cost and amortized on a straight line basis with useful lives of 3~5 years.

4. Intangible assets generated internally - expenses of R&D

(1) R&D expenses are recognized as the expenses of the current term when occur.

(2) The R&D expenses disqualified from the following criteria are recognized as the expenses of the current term; the R&D expenses qualified with the following criteria are recognized as intangible assets:

A. The technical feasibility of being intangible assets has been achieved, so that the intangible asset may be used or sold;

B. Intention to complete the intangible assets for use or sale;

C. Capability to use or sell the intangible assets;

D. The likely perspective economic benefits of the concerned intangible assets may be proved;

E. Sufficient technical, financial, and other resources to complete the developments are in place, to use or sell the intangible assets;

F. The expenses attributed to the intangible assets during the development may be measured reliably.

(3) The intangible assets generated internally - the grouting materials for offshore wind power generation - are amortized on a straight-line basis over their estimated useful lives of 5 years after they have reached the state of use.

(XVI) Impairment of non-financial Assets

The Company assesses at each balance sheet date the recoverable amounts of those Assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XVII) Loans

Refer to long-term, short-term borrowings from banks and other long-term, short-term loans. During the initial recognition, the Company measures according to the fair value with deduction of transaction cost. Subsequently, for any difference between the amount after the deduction of transaction cost and the redemption value, the effective interest method is adopted to recognize the interest expense in the profit or loss according to amortized procedure during the circulation period.

(XVIII) Notes and accounts payable

1. Debt arising from purchase of raw materials, goods or services and notes payable arising from ordinary course of business or non-business related matters.
2. For short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(XIX) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the contract's obligations are discharged, cancelled, or expired.

(XX) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

3. Termination benefits

The termination benefits are for employees who terminate their employment before the normal retirement date or when the employees decide to accept the Company's welfare invitation in exchange for the termination of employment. Termination benefits are recognized when the Company can no longer withdraw the offer of the benefit or when the Group recognizes costs for a restructuring, whichever is earlier. Benefits that are not expected to be settled wholly before twelve months after the end of the balance sheet date should be discounted.

#### 4. Remuneration to employee

Employee remunerations are recognized as expenses and liabilities when they have legal or constructive obligations and the amount can be reasonably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

#### (XXI) Income tax

1. The income tax expense for the period comprises Current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The management assesses the status of income tax declaration according to relevant applicable income tax laws, and shall pay the income tax liability estimated to the taxation agency according to the expectation under applicable status. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings in a shareholders' meeting of the following year.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. The deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax Assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax

Assets are reassessed.

5. Current income tax Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax Assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset Current tax Assets against Current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. Tax credits resulting from research and development expenditures are treated with accounting for income tax credits.

(XXII) Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(XXIII) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(XXIV) Revenue recognition

1. Revenues from product Sales

- (1) For the cement and building materials related products manufactured and sold by the Company, the income from sale of goods is recognized when the control of goods is transferred to customers, i.e., when the goods are delivered to the customer. In addition, the Company has no unfulfilled obligations that may affect the customer from accepting the goods. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is objective evidence proving that all acceptable standards have been satisfied, which occurs when the goods is delivered to the customer.
- (2) Accounts receivable is recognized when goods are delivered to customers since starting from such time of delivery, the Company has the unconditional right on the contract price, and the Company can receive the consideration from the customer after time has passed.
- (3) Financial component  
Since the period from the time when contracts are signed between the Company

and customers, the goods or services are promised to be transferred to customers to the time when the payments are made by customers have not exceeded one year, consequently, the Company has not adjusted the transaction price to reflect the currency time value.

- (4) There is a customer loyalty plan managed by the Company for its distribution customers. At the end of every year, reward points will be given to distribution customers based on the year's transaction amount for the year. Distribution customers have the right to redeem the reward points for a fixed percentage of the price when they obtain products in the future. The reward point is an important right that cannot be obtained if a customer has not made any initial transaction; therefore, the reward point provided to customers is a single contract performance obligation. The transaction price is appropriated to the goods and reward point based on the relative independent sales price. The independent sales price of reward point is estimated according to the discount obtained by the customer and the possibility of exchange of points based on the past experience. The basis for calculating single sales prices of products is the contract price. The transaction price allocated to reward points is recognized as contract liabilities until the customer redeems the points or when the points have expired, then it will be transferred to revenue.

## 2. Construction contract income, labor service contract income and repair income

- (1) Due to the performance of the contract by the Company to create or enhance an asset, the asset is controlled by the customer at the time of creation or enhancement, so it is a type of revenue that is recognized as the performance obligation is gradually satisfied over time. Revenue from renovations is recognized as income on a lump sum after the completion of the project because the construction period is less than three months. If the project exceeds three months, it is treated as construction contract income, and is recognized as income based on the degree of completion of the contract during the contract period using the percentage of completion method. Since labor service does not create assets for the Company for other purposes, and the Company has an enforceable right to the proceeds from performance completed so far, it is a type of revenue recognized as the performance obligation is gradually satisfied over time.
- (2) The construction contracts, labor services, and repairs undertaken by the Company are recognized as revenue using the percentage of completion method according to the level of completion of the contract during the contract period. Contract costs are recognized as expenses in the period in which they are incurred. The stage of completion is determined by reference to the contract costs incurred to date and

the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. In addition, when the total contract cost is likely to exceed the total contract revenue, the expected loss is recognized as an expense immediately. When the results of the contracting contracts may not be able to be used to reasonably measure the results of the performance obligations, but the Company expects to recover the incurred costs when the performance obligations are fulfilled, the Company will only recognize the contracts in revenue within the scope of the incurred costs before the results of the performance obligations can be measured.

- (3) The Company's estimations for revenue, costs, and stage of completion are adjusted accordingly. Any variation of estimated revenue or costs arising from change of estimations is reflected in profit or loss in the period when the condition for change of estimation is made known to the management.
- (4) The variable consideration arising from performance bonuses, penalties or claims that could result in variation of total contract price is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future.
- (5) The Company's construction contracts, labor services and repairs include the agreement with the customer for part of the construction payment to be paid after the construction acceptance. The construction retention receivable is to protect the customer in case the other party fails to complete the contract properly. Therefore, there is no significant financial component.
- (6) The excess of receivables from customers on construction contracts, that is, the cumulative costs incurred plus, recognized profits (less recognized losses) over the progress billings on each construction contract is presented as a contract asset. While the excess of the progress billings over the cumulative costs incurred plus, recognized profits (less recognized losses) on each construction contract is presented as a contract liability.

(XXV) Government grants

Government grants are recognized at fair value when there is reasonable assurance that an enterprise will comply with the conditions attached to the government grants and will receive the grant. If the nature of the government grant is to compensate the expenses incurred by the Company, such grant shall be recognized as current profit or loss on a systematic basis during the period in which such expenses are incurred.

V. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

The preparation of these unconsolidated financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of Assets and liabilities within the next financial year. The critical accounting judgments, estimates and key sources of assumption uncertainty is addressed as follows:

(I) Critical judgments in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Revenue recognition

Construction contract revenue should be recognized by reference to the stage of completion in the contract period using the percentage of completion method. Contract costs are recognized in the incurred period. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs.

## VI. Details of Significant Accounts

### (I) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and revolving funds	\$ 230	\$ 230
Checking deposits	24,690	187,068
Demand deposits	64,241	42,077
Cash equivalents - Bonds under repurchase agreements	<u>28,184</u>	<u>203,196</u>
	<u>\$ 117,345</u>	<u>\$ 432,571</u>

1. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Company's restricted cash and cash equivalents on December 31, 2023 and 2022 due to guarantees for the performance of contracts were NT\$91,856 and NT\$96,884, respectively, of which NT\$0 and NT\$5,065 were classified as other financial assets, current (recognized in "other current assets") and NT\$91,856 and NT\$91,819 were classified as other financial assets, non-current (recognized in "other non-current assets"). Please refer to Note 8.

### (II) Notes and accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 168,487	\$ 150,528
Notes Receivable – related party	<u>3,895</u>	<u>350</u>
	<u>\$ 172,382</u>	<u>\$ 150,878</u>
Accounts receivable	\$ 624,063	\$ 603,685
Less: Allowance for loss	<u>( 7,144)</u>	<u>( 3,527)</u>
Subtotal	616,919	600,158
Accounts receivable - related party	<u>37,263</u>	<u>39,666</u>
	<u>\$ 654,182</u>	<u>\$ 639,824</u>

1. The Company issues the invoice and bill of lading when taking the customer's order, debits accounts receivable and credits advance sales receipt (the "contract liability-current" account). When it receives notes issued by the customer, the amount is then transferred to notes receivable from accounts receivable. Based on demand quantity, the customer pick up the cement in batches, and the actual sales amount is then transferred from advance sales receipt to revenue. To prevent inflated assets and liabilities, the notes and accounts receivable

and advance sales receipts related to undelivered cement are offset by each other and presented in net values. As of December 31, 2023 and 2022, the amounts were NT\$112,165 and NT\$123,081.

2. The aging analysis of notes receivable (including related parties) and accounts receivable (including related parties) is as follows:

	December 31, 2023		December 31, 2022	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 655,697	\$ 172,382	\$ 638,581	\$ 150,878
Overdue				
Within 30 days	2,338	-	1,519	-
31-60 days	130	-	480	-
61-90 days	75	-	73	-
91 days and more	3,086	-	2,698	-
	\$ 661,326	\$ 172,382	\$ 643,351	\$ 150,878

The aging analysis was based on past due date.

3. The balances of the notes receivable and accounts receivables as of December 31, 2023 and 2022 were incurred by the clients' contracts; also as of January 1, 2022, the balances of the notes receivable and accounts receivables were NT\$117,735 and NT\$362,401, respectively.
4. The Company's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT\$172,382 and NT\$150,878 for notes receivable, as of December 31, 2023 and 2022, respectively; the accounts receivable were NT\$654,182 and NT\$639,824 as of December 31, 2023 and 2022, respectively.
5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12(2).

(III) Inventories

	December 31, 2023		
	Cost	<u>Allowance for valuation losses</u>	<u>Carrying amount</u>
Materials and supplies	\$ 469,135	(\$ 2,423)	\$ 466,712
Work in process	164,837	-	164,837
Finished goods	94,139	( 195)	93,944
Merchandise inventory	7,325	-	7,325
	\$ 735,436	(\$ 2,618)	\$ 732,818

December 31, 2022			
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	\$ 458,407	(\$ 697)	\$ 457,710
Work in process	134,796	-	134,796
Finished goods	110,761	( 275)	110,486
Merchandise inventory	326	-	326
	<u>\$ 704,290</u>	<u>(\$ 972)</u>	<u>\$ 703,318</u>

The expenses of inventories recognized for the current period are as follows:

	2023	2022
Cost of inventories sold	\$ 3,607,447	\$ 2,938,848
Inventory loss from price reduction (gain from price recovery)	1,646	( 5,924)
Unallocated manufacturing costs	6,840	6,840
Revenue from sales of scraps	( 8,260)	( 6,932)
	<u>\$ 3,607,673</u>	<u>\$ 2,932,832</u>

The inventories recognized as allowance of loss were sold and market prices recovered during 2022, the inventories generated gains from price recovery.

(IV) Financial assets at fair value through other comprehensive income acquired - non-current

Item	December 31, 2023	December 31, 2022
Non-current items:		
Equity Instrument		
Shares of TWSE listed companies	\$ 555,517	\$ 555,517
Shares of the TPEX listed companies	24,868	24,868
	<u>580,385</u>	<u>580,385</u>
Adjustments for valuation		
Shares of TWSE listed companies	( 92,542)	( 87,502)
Shares of the TPEX listed companies	( 16,725)	( 16,760)
	<u>( 109,267)</u>	<u>( 104,262)</u>
Total	<u>\$ 471,118</u>	<u>\$ 476,123</u>

- The Company elected to classify the TWSE listed securities investments for stable dividends as financial assets at fair value through other comprehensive income; such investments amounted to NT\$462,975 and NT\$468,015 as of December 31, 2023 and 2022, respectively.

2. The Company elected to classify the strategic investments in privately offered shares of TWSE listed companies as financial assets at fair value through other comprehensive income, amounting to NT\$8,143 and NT\$8,108 as of December 31, 2023 and 2022, respectively.
3. In the third quarter of 2022 and the first quarter of 2022, the Company purchased 1,960 thousand shares and 1,380 thousand shares of the TWSE-listed company, Ruentex Industries Ltd., from the open market, in amounts of NT\$122,798 and NT\$136,753, respectively.
4. TPEX-listed company, OBI Pharma, Inc., increased its capital in cash in March 2022, and the Company subscribed for 11,904 shares in an amount of NT\$1,250.
5. TWSE-listed company, Ruentex Industries Ltd., increased its capital in cash in September 2022, and the Company subscribed for 1,760,000 shares in an amount of NT\$88,000.
6. The details of financial assets at fair value through other comprehensive income recognized in profit and loss and comprehensive income (loss) are as follows:

<u>Equity instruments at fair value through other comprehensive income</u>	<u>2023</u>	<u>2022</u>
Changes in fair value recognized as other comprehensive income	(\$ 5,005)	(\$ 89,470)
Dividend incomes recognized in profit and loss	\$ 14,400	\$ 27,201

7. The maximum exposure to credit risk for the Company's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$471,118 and NT\$476,123 as of December 31, 2023 and 2022, respectively.
8. For information on the credit risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(V) Investments accounted for using equity method

1. Statement of investments accounted for using the equity method is as follows:

<u>Subsidiary</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Ruentex Interior Design Inc. (Ruentex Interior Design)	\$ 174,927	\$ 159,254

2. Share of the 2023 and 2022 income or loss of subsidiaries accounted for using the equity method is as follows:

	<u>2023</u>	<u>2022</u>
Ruentex Interior Design	<u>\$ 52,098</u>	<u>\$ 37,858</u>

3. On June 8, 2022 the Company's Board of Directors approved the provision of 500 thousand shares of Ruentex Interior Design on July 19, 2022 for subscription by securities advisors-cum-underwriters. The selling price per share was NT\$60, and the proceeds (less the securities exchange tax) totaled NT\$29,910. The Company's shareholding decreased to 35.19%, and it was recognized in capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries in an amount of NT\$15,076.
4. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for more information on the Company's subsidiaries.

(VI) Property, plant, and equipment

2023

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets</u>	<u>Leasehold improvements</u>	<u>Miscellaneous equipment</u>	<u>Unfinished construction and equipment pending for inspection</u>	<u>Total</u>
January 1										
Cost	\$ 1,535,961	\$ 1,465,864	\$ 1,964,955	\$ 11,374	\$ 5,191	\$ 704	\$ 421	\$ 70,202	\$ 28,437	\$ 5,083,109
Accumulated depreciation	-	( 496,087)	( 932,542)	( 9,834)	( 2,522)	( 704)	( 70)	( 30,219)	-	( 1,471,978)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 959,446</u>	<u>\$ 976,972</u>	<u>\$ 1,540</u>	<u>\$ 2,669</u>	<u>\$ -</u>	<u>\$ 351</u>	<u>\$ 39,604</u>	<u>\$ 28,437</u>	<u>\$ 3,544,980</u>
January 1	\$ 1,535,961	\$ 959,446	\$ 976,972	\$ 1,540	\$ 2,669	\$ -	\$ 351	\$ 39,604	\$ 28,437	\$ 3,544,980
Addition	-	4,466	80,551	-	1,744	-	468	7,243	203,430	297,902
Transfer for current period (Note)	-	7,330	73,837	-	-	-	-	( 9,110)	( 22,147)	49,910
Costs of disposal	-	-	( 49,068)	( 790)	( 255)	-	-	( 475)	-	( 50,588)
Disposal of accumulated depreciation	-	-	49,068	790	255	-	-	475	-	50,588
Depreciation expense	-	( 48,003)	( 172,798)	( 564)	( 947)	-	( 139)	( 6,270)	-	( 228,721)
December 31	<u>\$ 1,535,961</u>	<u>\$ 923,239</u>	<u>\$ 958,562</u>	<u>\$ 976</u>	<u>\$ 3,466</u>	<u>\$ -</u>	<u>\$ 680</u>	<u>\$ 31,467</u>	<u>\$ 209,720</u>	<u>\$ 3,664,071</u>
December 31										
Cost	\$ 1,535,961	\$ 1,477,660	\$ 2,071,138	\$ 10,584	\$ 6,680	\$ 704	\$ 889	\$ 66,997	\$ 209,720	\$ 5,380,333
Accumulated depreciation	-	( 544,090)	( 1,057,135)	( 9,608)	( 3,214)	( 704)	( 209)	( 35,151)	-	( 1,650,111)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 923,239</u>	<u>\$ 958,562</u>	<u>\$ 976</u>	<u>\$ 3,466</u>	<u>\$ -</u>	<u>\$ 680</u>	<u>\$ 31,467</u>	<u>\$ 209,720</u>	<u>\$ 3,664,071</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

2022

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets</u>	<u>Leasehold improvements</u>	<u>Miscellaneous equipment</u>	<u>Unfinished construction and equipment pending for inspection</u>	<u>Total</u>
January 1										
Cost	\$1,535,961	\$ 1,398,704	\$ 1,831,528	\$ 11,374	\$ 5,915	\$ 704	\$ 421	\$ 53,034	\$ 41,321	\$ 4,878,962
Accumulated depreciation	-	( 449,940)	( 865,653)	( 8,915)	( 2,429)	( 704)	-	( 24,829)	-	( 1,352,470)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 938,433</u>	<u>\$ 910,434</u>	<u>\$ 2,459</u>	<u>\$ 3,486</u>	<u>\$ -</u>	<u>\$ 421</u>	<u>\$ 27,826</u>	<u>\$ 41,321</u>	<u>\$ 3,460,341</u>
January 1	\$ 1,535,961	\$ 938,433	\$ 910,434	\$ 2,459	\$ 3,486	\$ -	\$ 421	\$ 27,826	\$ 41,321	\$ 3,460,341
Addition	-	1,680	42,634	-	63	-	-	6,929	206,232	257,538
Transfer for current period (Note)	-	65,480	165,209	-	-	-	-	10,581	( 219,161)	22,109
Costs of disposal	-	-	( 74,416)	-	( 787)	-	-	( 342)	-	( 75,545)
Disposal of accumulated depreciation	-	-	74,416	-	787	-	-	342	-	75,545
Capitalization of interest	-	-	-	-	-	-	-	-	45	45
Depreciation expense	-	( 46,147)	( 141,305)	( 919)	( 880)	-	( 70)	( 5,732)	-	( 195,053)
December 31	<u>\$ 1,535,961</u>	<u>\$ 959,446</u>	<u>\$ 976,972</u>	<u>\$ 1,540</u>	<u>\$ 2,669</u>	<u>\$ -</u>	<u>\$ 351</u>	<u>\$ 39,604</u>	<u>\$ 28,437</u>	<u>\$ 3,544,980</u>
December 31										
Cost	\$ 1,535,961	\$ 1,465,864	\$ 1,964,955	\$ 11,374	\$ 5,191	\$ 704	\$ 421	\$ 70,202	\$ 28,437	\$ 5,083,109
Accumulated depreciation	-	( 496,087)	( 932,542)	( 9,834)	( 2,522)	( 704)	( 70)	( 30,219)	-	( 1,471,978)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 959,446</u>	<u>\$ 976,972</u>	<u>\$ 1,540</u>	<u>\$ 2,669</u>	<u>\$ -</u>	<u>\$ 351</u>	<u>\$ 39,604</u>	<u>\$ 28,437</u>	<u>\$ 3,544,980</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

1. Capitalized amount of borrowing costs for property, plant and equipment and interest rate range:

	<u>2023</u>	<u>2022</u>
Amount of capitalization	\$ <u>                    -</u>	\$ <u>                    45</u>
Interest rate collars of capitalization	-	0.87%~1.11%

2. Details of the property, plant and equipment pledged to others as collateral are provided in Note 8.
3. Due to legal restrictions, part of the land of the Company is held in the name of another person and a mortgage is created to the Company. Please refer to Note 7 for details.

(VII) Lease transactions - lessees

1. The underlying assets leased by the Company are the offices, land for mining use, and company vehicles, and the term of lease is normally between 2020 and 2026. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collateral for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.
2. Information on the carrying amount of the right-of-use assets and the recognized depreciation expenses is as follows:

	<u>2023</u>			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 7,265	\$ 25,244	\$ 864	\$ 33,373
Accumulated depreciation	( 4,525)	( 8,374)	( 717)	( 13,616)
	<u>\$ 2,740</u>	<u>\$ 16,870</u>	<u>\$ 147</u>	<u>\$ 19,757</u>
January 1	\$ 2,740	\$ 16,870	\$ 147	\$ 19,757
Addition-Newly added lease contracts	-	-	752	752
Cost of derecognition	-	-	( 864)	( 864)
Accumulated depreciation on the de-booking date	-	-	864	864
Depreciation expense	( 1,781)	( 5,195)	( 272)	( 7,248)
December 31	<u>\$ 959</u>	<u>\$ 11,675</u>	<u>\$ 627</u>	<u>\$ 13,261</u>
December 31				
Cost	\$ 7,265	\$ 25,244	\$ 752	\$ 33,261
Accumulated depreciation	( 6,306)	( 13,569)	( 125)	( 20,000)
	<u>\$ 959</u>	<u>\$ 11,675</u>	<u>\$ 627</u>	<u>\$ 13,261</u>

	2022			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 9,460	\$ 96,508	\$ 843	\$ 106,811
Accumulated depreciation	( 4,501)	( 27,420)	( 422)	( 32,343)
	<u>\$ 4,959</u>	<u>\$ 69,088</u>	<u>\$ 421</u>	<u>\$ 74,468</u>
January 1	\$ 4,959	\$ 69,088	\$ 421	\$ 74,468
Addition-Newly added lease contracts	-	486	-	486
Cost of derecognition	( 2,195)	( 487)	-	( 2,682)
Accumulated depreciation on the de-booking date	2,195	487	-	2,682
Lease contract modifications - costs	-	( 71,263)	21	( 71,242)
Lease contract modifications - accumulated depreciation	-	32,662	-	32,662
Depreciation expense	( 2,219)	( 14,103)	( 295)	( 16,617)
December 31	<u>\$ 2,740</u>	<u>\$ 16,870</u>	<u>\$ 147</u>	<u>\$ 19,757</u>
December 31				
Cost	\$ 7,265	\$ 25,244	\$ 864	\$ 33,373
Accumulated depreciation	( 4,525)	( 8,374)	( 717)	( 13,616)
	<u>\$ 2,740</u>	<u>\$ 16,870</u>	<u>\$ 147</u>	<u>\$ 19,757</u>

3. Lease liabilities related to lease contracts are as the following:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total amount of lease liabilities	\$ 19,326	\$ 24,153
Less: Due within one year (listed as lease liabilities - current)	( 12,167)	( 11,325)
	<u>\$ 7,159</u>	<u>\$ 12,828</u>

4. Information of income items related to lease contracts are as the following:

	<u>2023</u>	<u>2022</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	<u>\$ 166</u>	<u>\$ 338</u>
Expenses of short-term lease contracts	<u>\$ 576</u>	<u>\$ -</u>
Gains on lease modifications	<u>\$ -</u>	<u>\$ 175</u>

5. The total of lease cash flow of the Company in 2023 and 2022 are NT\$6,321 and NT\$15,211, respectively.
6. On March 31, 2022, the Company agreed to terminate the lease contract on the Taipei Port cement powder inventory, storage, and transfer system with Taipei Port Terminal Company Limited. Therefore, the Company reduced the cost of right-of-use assets by NT\$71,263, accumulated depreciation by NT\$32,662, and lease liabilities by NT\$38,776, and recognized gains on lease modifications of NT\$175.
7. Yilan Luodong Business Area No. 70, 71, 73-75, 80, 82-85, and Nan'ao Business Area No. 27 and 28 were leased by the Company for mineral field use. As said leases expired on June 18, 2020. The Company has applied to the competent authorities for the renewal of the leases. The application for renewal of the lease of the mining land for auxiliary facilities was completed in January 2023, and the lease term will end on June 18, 2024.

(VIII) Intangible assets

	2023			
	<u>Mineral source</u>	<u>Trademark rights, patent rights and service concession</u>	<u>Others</u>	<u>Total</u>
January 1				
Cost	\$ 234,798	\$ 30,000	\$ 105,580	\$ 370,378
Accumulated amortization	( 60,416)	( 30,000)	( 33,813)	( 124,229)
Accumulated impairment	( 61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 60,527</u>	<u>\$ 172,937</u>
January 1	\$ 112,410	\$ -	\$ 60,527	\$ 172,937
Addition	-	-	5,524	5,524
Amortization	-	-	( 8,362)	( 8,362)
December 31	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 57,689</u>	<u>\$ 170,099</u>
December 31				
Cost	\$ 234,798	\$ 30,000	\$ 111,104	\$ 375,902
Accumulated amortization	( 60,416)	( 30,000)	( 42,175)	( 132,591)
Accumulated impairment	( 61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 57,689</u>	<u>\$ 170,099</u>

	2022			
	<u>Trademark rights, patent rights and service concession</u>			
	<u>Mineral source</u>		<u>Others</u>	<u>Total</u>
January 1				
Cost	\$ 234,798	\$ 30,000	\$ 81,440	\$ 346,238
Accumulated amortization	( 60,416)	( 28,500)	( 25,848)	( 114,764)
Accumulated impairment	( 61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ 1,500</u>	<u>\$ 44,352</u>	<u>\$ 158,262</u>
January 1	\$ 112,410	\$ 1,500	\$ 44,352	\$ 158,262
Addition	-	-	24,140	24,140
Amortization	-	( 1,500)	( 7,965)	( 9,465)
December 31	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 60,527</u>	<u>\$ 172,937</u>
December 31				
Cost	\$ 234,798	\$ 30,000	\$ 105,580	\$ 370,378
Accumulated amortization	( 60,416)	( 30,000)	( 33,813)	( 124,229)
Accumulated impairment	( 61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 60,527</u>	<u>\$ 172,937</u>

Details of amortization of intangible assets are as follows:

	<u>2023</u>	<u>2022</u>
Operation cost	\$ 7,820	\$ 7,444
Operating Expenses	542	2,021
	<u>\$ 8,362</u>	<u>\$ 9,465</u>

The Company owns the mine operation rights at Yilan Lankan Mine (Tai-Ji-Cai-Zi No. 5569 Mine Operation Right) and Hualien Huahsin Mine (Tai-Ji-Cai-Zi No. 5345 Marble Mine Operation Right) which will expire on June 18, 2032 and July 1, 2025, respectively. At present, the limestone quarrying in the original mining area has nearly been exhausted and an application has been made to the Bureau of Mines, Ministry of Economic Affairs, in accordance with Article 43 of the Mining Act for an extension of the mining area within the original mine operation rights (Expansion).

On September 15, 2020, the above-mentioned application of the Yilan Lankan Minefield received the Administrative Disposition Jin Shou Chuan Zi No. 10920107100 from the Ministry of Economic Affairs, which stated, "Because the public land authority (i.e. the Luodong District

Office of the Forestry Bureau of the Council of Agriculture, Executive Yuan) has indicated that the approval of mineral land is denied because it does not meet the requirements of No. 13 of the Regulations for Conservation Forest Managements; therefore, the application is rejected in accordance with Article 43 of the Mining Act." The Company filed a petition in accordance with the law on October 6, 2020 due to dissatisfaction with the administrative sanction imposed by the authority; however, the petition was rejected by the Executive Yuan, referencing Yuan-Tai-Su-Zi No. 1100178798 dated July 8, 2021. The material changes from the adverse impact on the Company's assets due to administrative authorities' fact determination and application of laws had led to signs of impairment of the Company's assets in accordance with the IAS 36. The property, plants, and equipment of NT\$66,151 and intangible assets of NT\$73,212 related to the Yilan Lankan Mine, totaling NT\$139,363, were recognized in impairment losses in June 2021.

However, to ensure the equity and efficiency of the Company's assets, if the mining land for mining sources legally held can be expanded and continued to be mined, it will make a reasonable contribution to the Company's future profits. The Yilan Lankan Stone Mine expansion case was filed with The High Administrative Court on September 9, 2021, but the administrative lawsuit was dismissed on February 29, 2024 by the Taipei High Administrative Court judgment year 2021 Su-Zi No. 1062. The Company has already make a provision for impairment loss. Hence, there is no material impact on the Company's finance or business of the judgment results. The Company will file an appeal within the statutory time limit. As of March 13, 2024, the appeal is in process.

The mining and transportation method for the Hualien Huahsin Mine expansion application was to borrow another entity's road. However, because the consent to pass through the adjacent mines was not obtained, the Company took the initiative to withdraw the application and will file another application after re-planning. As of the March 13, 2024, the relevant planning is still in progress and the application procedure has not yet been completed.

(IX) Short-term borrowings

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Credit bank loan	<u>\$ 750,000</u>	<u>\$ 950,000</u>
Interest rate collars	1.78%~1.83%	1.60%~1.90%

In addition to the collateral provided for the short-term borrowings as described in Note 8, the Company also issued the guarantee notes of the amount as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>

(X) Short-term bills payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial papers payable	\$ 270,000	\$ 310,000
Less: Unamortized discount	( 64)	( 168)
	<u>\$ 269,936</u>	<u>\$ 309,832</u>
Interest rate collars	1.32%~1.61%	1.00%~1.78%

The guaranteed bills for the short-term notes and bills quota issued by the Company are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 650,000</u>	<u>\$ 650,000</u>

(XI) Other payables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salary and wages payable	\$ 86,023	\$ 78,694
Electricity bill payable	29,487	25,188
Commodity tax payable	16,854	13,050
Payables on equipment	13,065	31,937
Other payable	25,735	20,952
	<u>\$ 171,164</u>	<u>\$ 169,821</u>

(XII) Long-term borrowings

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate collars</u>	<u>Guarantee</u>	<u>December 31, 2023</u>
Long-term bank loan				
Secured loan	From September 1, 2023 to August 31, 2025, monthly payment of interest, re-payment on maturity.	1.75%	Note	\$ 1,600,000
Credit Loan	Interest will be paid monthly from February 22, 2023 to September 30, 2025 with interest repayable upon maturity.	1.78% ~1.852%	Note	<u>900,000</u>
				<u>\$ 2,500,000</u>

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate collars</u>	<u>Guarantee</u>	<u>December 31, 2022</u>
Long-term bank loan				
Secured loan	From September 1, 2022 to August 31, 2024, monthly payment of interest, re-payment on maturity.	1.725%	Note	\$ 1,500,000
Credit Loan	From September 13, 2021 to February 22, 2025, monthly payment of interest, re-payment on maturity.	1.64% ~2.18%	Note	
				<u>1,050,000</u>
				2,550,000
Less: Long-term borrowings due within one year or one operating cycle				<u>( 550,000)</u>
				<u>\$ 2,000,000</u>

Note: In addition to the collateral provided for the long-term borrowings as described in Note 8, the Company also issued the guarantee notes of the amount as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Guarantee notes	<u>\$ 2,000,000</u>	<u>\$ 2,050,000</u>

### (XIII) Pensions

1. The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
2. In 2023 and 2022, the pension cost recognized by the Company in accordance with the above regulations was NT\$10,741 and NT\$10,131, respectively.

### (XIV) Capital

1. The number of outstanding shares of the Company as of December 31, 2023 and 2022 were both 150,000 thousand shares, and the number of shares in 2023 and 2022 remained unchanged.
2. As of December 31, 2023, the Company's authorized capital was NT\$2,000,000, and the paid-in capital was NT\$1,500,000 with a par value of NT\$10 per share; all shares are issued as ordinary shares. All proceeds from shares issued have been collected.

(XV) Capital surplus

1. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
2. Please see Note 6(5)3 for the details of capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries.

(XVI) Retained earnings

1. Under the Articles of Incorporation of the Company, the earnings, if any, shall be distributed after close of the year as follows:
  - (1) First pay income tax.
  - (2) Make up loss accumulated in previous year, if any.
  - (3) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
  - (4) Amortize or rotate special reserve as required by law or the competent authority.
  - (5) For the balance after deduction of the sums under the preceding Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.
2. The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's finances, business, operation, capital budget, and so on factors in maintaining the shareholders' interests, balancing dividends and the Company's long-term financial plan. Each year, the Board of Directors proposes the appropriation of earnings according to laws and submits the proposal to the shareholders' meeting for approval. The appropriation of earnings shall be made with considerations of various factors such as the Company's finances, business, and operation aspects. Dividends may be distributed in the form of cash or shares, provided, however, that cash dividends distributed in respect of any fiscal year shall not exceed 10% of the total shareholders' dividends distributed.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve

exceeds 25% of the Company's paid-in capital.

4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
5. On May 31, 2022, the Company approved the reversal of the 2021 special reserve of NT\$28,369 by resolution of the shareholders' meeting and offset the deficit with the legal reserve of NT\$74,680. The calculation of the deficit to be offset is as follows:

	2021	
Retained earnings on January 1, 2021	\$	130,803
Appropriation and distribution of retained earnings of 2020		
-Profit set aside as legal reserve	(	13,033)
-Provision of special reserves	(	1,841)
- Cash dividend	(	115,500)
Net loss after tax	(	103,741)
Remeasurements of defined benefit plans with actuarial valuation		263
Profit reversed as special reserve		28,369
Cumulative deficit to be offset on December 31, 2021	(\$	74,680)

- 6.(1) The Company's earning distribution plan for the year ended December 31, 2022 approved by the shareholders' meeting on May 22, 2023 is as follows:

	2022	
	Amount	Dividend per share (NT\$)
Legal reserve	\$ 3,845	
Special reserve	34,600	
Cash dividends	-	\$ -
Total	\$ 38,445	

- (2) According to the approval of the proposal made by the Shareholders Meeting on May 22, 2023, the Company allotted NT\$0.23 per share from capital surplus - issued at premium in a total amount of NT\$34,500.
7. The Company's earning distribution plan for the year ended December 31, 2023 approved by the board of directors' meeting on March 13, 2024 is as follows:

	<u>2023</u>	
	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
Legal reserve	\$ 11,476	
Special reserve	5,578	
Cash dividends	<u>97,500</u>	\$ 0.65
Total	<u>\$ 114,554</u>	

(XVII) Operation income

	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers:		
Revenue from sales of goods	\$ 3,829,181	\$ 3,025,480
Revenue from construction contracts	48,029	56,025
Other revenue from contracts	<u>110,791</u>	<u>108,919</u>
	<u>\$ 3,988,001</u>	<u>\$ 3,190,424</u>

1. Detail of customer contract income

The Company's revenue is mainly from the transfer of products and services over time or at a point of time, and it can be divided based on product lines as follows:

<u>2023</u>	<u>Cement business</u>	<u>Building materials</u>	<u>Engineering and</u>	<u>Total</u>
		<u>business</u>	<u>construction</u>	
Departmental revenue	<u>\$2,052,721</u>	<u>\$1,887,251</u>	<u>\$ 48,029</u>	<u>\$3,988,001</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$2,052,721	\$1,887,251	\$ -	\$3,939,972
Revenue recognized over time	<u>-</u>	<u>-</u>	<u>48,029</u>	<u>48,029</u>
	<u>\$2,052,721</u>	<u>\$1,887,251</u>	<u>\$ 48,029</u>	<u>\$3,988,001</u>
<u>2022</u>	<u>Cement business</u>	<u>Building materials</u>	<u>Engineering and</u>	<u>Total</u>
Departmental revenue	<u>\$1,670,900</u>	<u>\$1,463,499</u>	<u>\$ 56,025</u>	<u>\$3,190,424</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$1,670,900	\$1,463,499	\$ -	\$3,134,399
Revenue recognized over time	<u>-</u>	<u>-</u>	<u>56,025</u>	<u>56,025</u>
	<u>\$1,670,900</u>	<u>\$1,463,499</u>	<u>\$ 56,025</u>	<u>\$3,190,424</u>

2. As of December 31, 2023 and 2022 for the signed construction contracts, the aggregated amounts of the transaction amount allocated to the unsatisfied contract performance, and the estimated recognition years are as the following:

<u>Year</u>	<u>Year of the estimated recognized revenues</u>	<u>Amounts of the signed contracts</u>
2023	2024 ~ 2026	<u>\$ 92,339</u>
2022	2023 ~ 2026	<u>\$ 80,072</u>

3. Contract assets and contract liabilities

The Company's recognition of contract assets and contract liabilities related to contracts with customers is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract asset:			
Contract asset - Retainable receivable (including related parties)	\$ 1,777	\$ 5,147	\$ 3,206
Contract asset - Construction contract	<u>10,961</u>	<u>6,686</u>	<u>8,030</u>
Total	<u>\$ 12,738</u>	<u>\$ 11,833</u>	<u>\$ 11,236</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liability:			
Contract liabilities - Construction materials contract (related parties included)	\$ 23,527	\$ 18,078	\$ 35,210
Contract liability - Construction contract	<u>3,686</u>	<u>6,186</u>	<u>38</u>
Total	<u>\$ 27,213</u>	<u>\$ 24,264</u>	<u>\$ 35,248</u>

4. Contract assets and contract liabilities related to aforementioned contracts recognized as of December 31, 2023 and 2022, and as of January 1, 2022:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Total costs incurred plus profits recognized (less losses recognized)	\$ 41,497	\$ 45,222	\$ 32,895
Less: Amount requested for progress of works	<u>(34,222)</u>	<u>(44,722)</u>	<u>(24,903)</u>
Status of net assets and liabilities of ongoing contracts	<u>\$ 7,275</u>	<u>\$ 500</u>	<u>\$ 7,992</u>

(XVIII) Operation cost

	<u>2023</u>	<u>2022</u>
Cost of sales of goods	\$ 3,607,673	\$ 2,932,832
Cost of construction contract	37,223	46,118
Other costs from contracts	<u>7,153</u>	<u>5,395</u>
	<u>\$ 3,652,049</u>	<u>\$ 2,984,345</u>

(XIX) Interest revenue

	<u>2023</u>	<u>2022</u>
Interest on cash in banks	\$ 2,083	\$ 1,017

(XX) Other income

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 14,400	\$ 27,201
Rent income	1,116	1,116
Other income	<u>4,098</u>	<u>2,876</u>
	<u>\$ 19,614</u>	<u>\$ 31,193</u>

(XXI) Other gains and losses

	<u>2023</u>	<u>2022</u>
Foreign exchange net (loss) gain	(\$ 1,992)	\$ 1,965
Gain (loss) on foreign currency valuation	( 49)	153
Gains on lease modifications	-	175
Others	<u>( 655)</u>	<u>( 1,207)</u>
	<u>(\$ 2,696)</u>	<u>\$ 1,086</u>

(XXII) Financial Costs

	<u>2023</u>	<u>2022</u>
Interest Cost:		
Bank loan	\$ 63,889	\$ 40,092
Lease liabilities	166	338
Less: Amount eligible for capitalization	<u>-</u>	<u>( 45)</u>
	<u>\$ 64,055</u>	<u>\$ 40,385</u>

(XXIII) Additional information of expenses by nature

	<u>2023</u>	<u>2022</u>
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	\$ 2,210,915	\$ 1,791,724
Contract work	84,539	72,352
Employee benefit expense	341,745	316,134
Depreciation expenses for property, plant and equipment	228,721	195,053
Depreciation expenses for right-of-use assets	7,248	16,617
Depreciation and amortization expenses of intangible assets	8,362	9,465
Other expense	<u>990,794</u>	<u>773,711</u>
Operating costs and expenses	<u>\$ 3,872,324</u>	<u>\$ 3,175,056</u>

(XXIV) Employee benefit expense

	<u>2023</u>	<u>2022</u>
Wages and salaries	\$ 280,148	\$ 258,872
Labor and Health Insurance costs	26,099	24,067
Pension expense	10,741	10,131
Directors' Remuneration	2,856	3,036
Other employment fees	<u>21,901</u>	<u>20,028</u>
	<u>\$ 341,745</u>	<u>\$ 316,134</u>

1. According to the Articles of Incorporation, the Company shall appropriate at least 1% of the remainder of the profit for the year as profit sharing remuneration for employees after deducting the accumulated losses from the profit for the current year. None will be distributed for director remuneration.
- 2.(1) The estimated amount of employee compensation of the Company in 2023 and 2022 was NT\$1,240 and NT\$466, respectively, and the aforementioned amount was recorded under salary expenses.
  - (2) The employees' compensation was estimated and accrued based on 1% of distributable profit of the current year for the year ended December 31, 2023. The employees' compensation resolved by the Board of Directors on March 13, 2024 was NT\$1,240, which will be distributed in the form of cash.
  - (3) As resolved by the Board of Directors on March 10, 2023, the remuneration to employees for 2022 is consistent with the remuneration to employees of NT\$466 recognized in the 2022 financial statements. The 2022 employees' compensation was distributed in the form of cash.
  - (4) Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXV) Income tax

1. Income tax expense

Components of income tax expense:

	<u>2023</u>	<u>2022</u>
Current income tax:		
Income tax occurred in the current period	\$ 8,033	\$ -
Underestimation on income tax for prior years	<u>-</u>	<u>1,746</u>
Total income tax for current period	<u>8,033</u>	<u>1,746</u>
Deferred income tax:		
Origination and reversal of temporary differences	( 295)	2,368
Tax loss	<u>-</u>	<u>3,915</u>
Total deferred income tax	<u>( 295)</u>	<u>6,283</u>
Income tax expense	<u>\$ 7,738</u>	<u>\$ 8,029</u>

2. Reconciliation between income tax expense and accounting profit

	<u>2023</u>	<u>2022</u>
Imputed income taxes on pre-tax income at a statutory tax rate	\$ 24,544	\$ 9,227
Expenses to be excluded as stipulated in the tax law	115	232
Income with exemption from tax as stipulated in the tax law	( 13,299)	( 13,012)
Temporary differences on unrealized deferred income tax assets	( 541)	-
Tax loss on unrealizable deferred income tax assets	-	5,293
Income tax effects of investment tax credits	( 3,081)	-
Changes in realizability evaluation on deferred income tax assets	-	4,543
Underestimation on income tax for prior years	<u>-</u>	<u>1,746</u>
Income tax expense	<u>\$ 7,738</u>	<u>\$ 8,029</u>

3. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax loss are as follows:

	2023		
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>December 31</u>
Deferred income tax assets:			
- Temporary differences:			
Allowance for loss on market value decline of inventory	\$ 194	\$ 329	\$ 523
Unrealized sales discounts	2,157	948	3,105
Unrealized impairment loss	<u>26,185</u>	<u>( 992)</u>	<u>25,193</u>
Subtotal	<u>28,536</u>	<u>285</u>	<u>28,821</u>
Deferred income tax liability:			
- Temporary differences:			
Unrealized foreign exchange gains	<u>( 30)</u>	<u>10</u>	<u>( 20)</u>
Subtotal	<u>( 30)</u>	<u>10</u>	<u>( 20)</u>
Total	<u>\$ 28,506</u>	<u>\$ 295</u>	<u>\$ 28,801</u>
		2022	
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>December 31</u>
Deferred income tax assets:			
- Temporary differences:			
Allowance for loss on market value decline of inventory	\$ 1,379	(\$ 1,185)	\$ 194
Unrealized sales discounts	1,622	535	2,157
Unrealized impairment loss	27,872	( 1,687)	26,185
Unrealized foreign exchange losses	1	( 1)	-
- Tax loss	<u>3,915</u>	<u>( 3,915)</u>	<u>-</u>
Subtotal	<u>34,789</u>	<u>( 6,253)</u>	<u>28,536</u>
Deferred income tax liability:			
- Temporary differences:			
Unrealized foreign exchange gains	<u>-</u>	<u>( 30)</u>	<u>( 30)</u>
Subtotal	<u>-</u>	<u>( 30)</u>	<u>( 30)</u>
Total	<u>\$ 34,789</u>	<u>(\$ 6,283)</u>	<u>\$ 28,506</u>

4. The Company's income tax returns through 2021 have been assessed as approved by the Tax Authority.

(XXVI) Non-controlling Interest

Disposal of equity in subsidiaries (without losing control)

The Company sold a 3.7% stake in its subsidiary, Ruentex Interior Design, on July 19, 2022, with a consideration (less the securities exchange tax) received totaling NT\$29,910. The carrying amount of Ruentex Interior Design's non-controlling interests on the date of the sale was NT\$228,505; with that, the non-controlling interests increased by NT\$13,850, and the equity attributable to the owners of the parent company increased by NT\$16,060. The effects of changes in Ruentex Interior Design's equity in 2022 on the equity attributable to the owners of parent are as follows:

	<u>2022</u>
Consideration received from the non-controlling interests	\$ 29,910
Carrying amount of non-controlling interests disposed of	( 13,850)
Other equities	<u>( 984)</u>
Capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	<u>\$ 15,076</u>

(XXVII) Earnings per share

	<u>2023</u>		
	<u>After-tax amount</u>	<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NTD)</u>
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	<u>\$ 114,983</u>	<u>150,000</u>	<u>\$ 0.77</u>
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	114,983	150,000	
Impact of potential diluted ordinary shares			
Remuneration to employee	<u>-</u>	<u>53</u>	
Effects of the net income attributable to ordinary shareholders plus potential common stocks	<u>\$ 114,983</u>	<u>150,053</u>	<u>\$ 0.77</u>

	2022		
	After-tax amount	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders	\$ 38,108	150,000	\$ 0.25
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders	\$ 38,108	150,000	
Impact of potential diluted ordinary shares			
Remuneration to employee	-	20	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 38,108	150,020	\$ 0.25

(XXVIII) Cash flow supplementary information

1. Investing activities not affecting cash flow:

	2023	2022
Prepayments for business facilities reclassified to property, plant and equipment	\$ 49,910	\$ 22,109

2. Investing activities paid partially by cash:

	2023	2022
Acquisition of financial assets at fair value through other comprehensive income	\$ -	\$ 348,801
Add: Investments payable at the beginning of the period	-	5,857
Cash payments for current period	\$ -	\$ 354,658
	2023	2022
Acquisition of property, plant and equipment	\$ 297,902	\$ 257,538
Add: Payables for equipment at the beginning of the period	31,937	36,364
Less: Payables for equipment at the end of the period	(13,065)	(31,937)
Cash payments for current period	\$ 316,774	\$ 261,965

(XXIX) Changes of liabilities from financing activities

	2023					
	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Lease liabilities - current and non-current</u>	<u>Long-term borrowings (including those due within one year or one operating cycle)</u>	<u>Non-current liabilities (guarantee deposits received)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 950,000	\$ 309,832	\$ 24,153	\$ 2,550,000	\$ 7,541	\$ 3,841,526
Changes of the financing cash flows	( 200,000)	( 40,000)	( 5,579)	( 50,000)	-	( 295,579)
Addition-Newly added lease contracts	-	-	752	-	-	752
Other non-cash changes	-	104	-	-	-	104
December 31	<u>\$ 750,000</u>	<u>\$ 269,936</u>	<u>\$ 19,326</u>	<u>\$ 2,500,000</u>	<u>\$ 7,541</u>	<u>\$ 3,546,803</u>
	2022					
	<u>Short-term borrowings</u>	<u>Short-term notes and bills payable</u>	<u>Lease liabilities - current and non-current</u>	<u>Long-term borrowings (including those due within one year or one operating cycle)</u>	<u>Non-current liabilities (guarantee deposits received)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ -	\$ 239,824	\$ 77,295	\$ 2,500,000	\$ 7,541	\$ 2,824,660
Changes of the financing cash flows	950,000	70,000	( 14,873)	50,000	-	1,055,127
Addition-Newly added lease contracts	-	-	486	-	-	486
Lease contract modifications	-	-	( 38,580)	-	-	( 38,580)
Gains on lease modifications	-	-	( 175)	-	-	( 175)
Other non-cash changes	-	8	-	-	-	8
December 31	<u>\$ 950,000</u>	<u>\$ 309,832</u>	<u>\$ 24,153</u>	<u>\$ 2,550,000</u>	<u>\$ 7,541</u>	<u>\$ 3,841,526</u>

## VII. Transaction with Related Parties

### (I) Parent Company and the ultimate controller

The Company is controlled by Ruentex Engineering & Construction Co., Ltd. which holds 39.15% of the Company's shares. The ultimate parent company of the Company is the Ruentex Development Co., Ltd.

### (II) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Ruentex Development Co., Ltd.	Ultimate parent company of the Company
Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering)	Direct parent company (The parent company of the Company)
Ruentex Interior Design Inc.	Subsidiary of the Company
Ruentex Property Management and Maintenance Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Bai-Yi Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Xu-Zhan Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Construction & Development Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Innovative Development Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Industries Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Company)
Nan Shan Life Insurance Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Company)
Nan Shan General Insurance Co., Ltd.	Other related parties (subsidiary of a company recognized using the equity method for the ultimate parent company of the Company)
OBI Pharma, Inc.	Other related party (the Company's substantial related party)
Ruentex Construction & Engineering Co., Ltd. (Ruentex Construction)	Other related party (the management personnel of the Company's parent company is the representative of the juridical person director of the company)
Huei Hong Investment Co., Ltd.	Other related party (the Company's juridical person director)
Sunny Friend Environmental Technology Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Company)
Samuel Yen-Liang Yin	Other related party (a relative within the first degree of kinship of the representative of the juridical corporate director of the Company)

Mo, Wei-Han  
Chen, Hsueh-Hsien

Chairperson of the Company  
President of the Company

(III) Significant related party transactions and balances

1. Operating Revenue

	<u>2023</u>	<u>2022</u>
Sales of goods:		
The ultimate parent company	\$ 33,531	\$ 6,679
The direct parent company	136,259	129,812
Subsidiaries	8,929	3,541
Fellow subsidiary	2,219	1,750
Other related parties	8,371	3,594
Contract of construction:		
The ultimate parent company	15,456	3,228
The direct parent company	15,493	46,474
Subsidiaries	-	501
Fellow subsidiary	65	-
Other related parties	287	-
	<u>\$ 220,610</u>	<u>\$ 195,579</u>

There is no significant difference in the transaction prices and payment terms for goods sold and the non-related parties. The contract price of the contract of construction is negotiated by both parties and is collected by the due date as stated in the contract.

2. Receivables from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable:		
The direct parent company	<u>\$ 3,895</u>	<u>\$ 350</u>
Accounts receivable:		
The ultimate parent company	\$ 6,787	\$ 3,982
The direct parent company	28,192	32,654
Subsidiaries	828	1,318
Fellow subsidiary	55	855
Other related parties	1,401	857
	<u>\$ 37,263</u>	<u>\$ 39,666</u>

### 3. Contract assets - retainable receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
The direct parent company	<u>\$ 1,086</u>	<u>\$ 3,820</u>

### 4. Incomplete work of construction contracting and advance construction receipts

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
The ultimate parent company	\$ 50,637	\$ -	\$ 33,121	\$ -
The direct parent company	49,981	20,643	70,871	41,692
Other related parties	<u>3,293</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 103,911</u>	<u>\$ 20,643</u>	<u>\$ 103,992</u>	<u>\$ 41,692</u>

### 5. Balance of accounts payable from related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes payable:		
The direct parent company	\$ 391	\$ 1,693
Fellow subsidiary	-	15
Other related parties	<u>330</u>	<u>156</u>
	<u>\$ 721</u>	<u>\$ 1,864</u>
Accounts payable:		
The direct parent company	<u>\$ 2,058</u>	<u>\$ 1,802</u>
Other payables (Note):		
The direct parent company	\$ -	\$ 194
Fellow subsidiary	200	-
Other related parties	<u>187</u>	<u>179</u>
	<u>\$ 387</u>	<u>\$ 373</u>

Note: Mainly due to insurance premiums, rents and management fees payable.

## 6. Property transactions

### (1) Acquisition of financial Assets

Please refer to Notes 6(4)4. and 5.

### (2) Property, plant and equipment acquired

For the construction of the Yilan Dongshan Plant Silica Sand Screening Warehouse Construction Project, the Company signed a project outsourcing contract with Ruentex Construction after approval of the Board of Directors on December 29, 2021, to outsource the project to Ruentex Construction; it obtained the license in June 2022. The final contract price and the payment made are both NT\$42,804 and the payment was completed in August 2022.

## 7. Lease transactions - Lessee/rent expenses

Rent expenses of short-term lease contracts

	<u>2023</u>	<u>2022</u>
Fellow subsidiary	<u>\$ 343</u>	<u>\$ -</u>

8. The Company and the direct parent company signed and entered into an agreement in July 2021 on contract processing. The monthly payment is NT\$980. If the monthly production surpasses 3,800 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). The contract was renewed in January 2023. The monthly payment is NT\$1,200. If the monthly production surpasses 3,800 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). For the year ended December 31, 2023 and 2022, processing expenses of NT\$14,400 and NT\$11,760 were recognized, respectively.

9. The Company and the direct parent company signed and entered into an agreement in August 2022 on contract processing. The monthly payment is NT\$632. If the monthly production surpasses 2,000 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). For the year ended December 31, 2023 and 2022, processing expenses of NT\$7,584 and NT\$3,160 were recognized, respectively.

## 10. Status of endorsements and guarantees provided by related parties to the Company

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
The direct parent company	<u>\$ 88,368</u>	<u>\$ 31,254</u>
Key management personnel	<u>\$ 5,850,000</u>	<u>\$ 5,700,000</u>

11. Related party who owns the land based on a trust deed

A portion of the Company's land is agricultural land. Due to legal restrictions, the Consolidated Company is not entitled to the property rights of the aforementioned land. Therefore, the property rights of the agricultural land obtained in 2009, 2010, 2015, and 2020 were registered to the chief management and pledged as collateral to the Company. As of December 31, 2023, the carrying value of the agricultural and animal husbandry land was NT\$84,306 under "Property, plant and equipment."

(IV) Key management compensation information

	<u>2023</u>	<u>2022</u>
Wages and salaries and short-term employee benefits	\$ 26,133	\$ 27,907
Post-employment benefits	472	625
Termination benefits	-	495
Total	<u>\$ 26,605</u>	<u>\$ 29,027</u>

VIII. Pledged Assets

The Company's Assets pledged as collateral are as follows:

<u>Asset items</u>	<u>Carrying amount</u>		<u>For guarantee purpose</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Other financial assets-current (listed as Other Current Assets)	\$ -	\$ 5,065	Performance bond
Property, plant, and equipment	1,527,041	1,552,610	Long-term borrowings and guarantee quota
Other financial assets - non-current (listed as "other non-current assets")	91,856	91,819	Performance bond
	<u>\$ 1,618,897</u>	<u>\$ 1,649,494</u>	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(V) Contingencies

Please refer to Note 6(8).

(VI) Commitments

Except those described in Note 6(7) and 7, other material commitments are as follows:

1. As of December 31, 2023, the amount of the contract signed by the Company for the contracting of construction was NT\$34,021, of which NT\$15,018 had been paid in

accordance with the contract, and the remaining amount will be paid in accordance with the progress of the project.

2. As of December 31, 2023, the letters of credit issued but not yet used by the Company amounted to USD 139 thousand and EUR 106 thousand.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Except for those stated in Note 6(8), (16) and (24), there are no other significant events after the period.

XII. Others

(I) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell Assets in order to adjust to reach the most suitable capital structure. The Company uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the net debt by the total capital. Net liabilities are equal to total borrowings (including "current and non-current borrowings" on the balance sheet) deducting cash and cash equivalents. Total capital is the "equity" stated on the balance sheet plus net liabilities.

The Company's strategy for 2023 remains the same as that for 2022. As of December 31, 2023 and 2022, the debt to total assets ratio was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total borrowings	\$ 3,520,000	\$ 3,810,000
Less: Cash and cash equivalents	<u>( 117,345)</u>	<u>( 432,571)</u>
Net debt	3,402,655	3,377,429
Total equity	<u>2,281,215</u>	<u>2,206,537</u>
Total capital	<u>\$ 5,683,870</u>	<u>\$ 5,583,966</u>
Debt-to-total-capital ratio	59.87%	60.48%

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 117,345	\$ 432,571
Notes receivable (including related parties)	172,382	150,878
Accounts receivable (including related parties)	654,182	639,824
Refundable deposits (listed as other non-current assets)	21,493	21,393
Other financial assets (listed as other current assets and other non-current assets)	91,856	96,884
Financial Assets at fair value through other comprehensive income acquired		
Equity instrument investments by the option to designate	<u>471,118</u>	<u>476,123</u>
	<u>\$ 1,528,376</u>	<u>\$ 1,817,673</u>
<u>Financial liabilities</u>		
Financial liabilities are carried at amortized cost		
Short-term borrowings	\$ 750,000	\$ 950,000
Short-term notes and bills payable	269,936	309,832
Notes payable (including related parties)	96,068	59,672
Accounts payable (including related parties)	216,460	203,124
Other payables (including related parties)	171,551	170,194
Long-term borrowings (including due within one year or one operating cycle)	2,500,000	2,550,000
Guarantee deposits received (listed as other non-current liabilities)	<u>7,541</u>	<u>7,541</u>
	<u>\$ 4,011,556</u>	<u>\$ 4,250,363</u>
Lease liabilities - current and non-current	<u>\$ 19,326</u>	<u>\$ 24,153</u>

2. Risk management policies

- (1) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (2) Risk management work is executed by the Company's Financial Department according to the policies approved by the Board of Directors. Through close cooperation with the various operating units of the Company, the Company's

Financial Department is responsible for the identification, evaluation, and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

### 3. Significant financial risks and degrees of financial risks

#### (1) Market risk

##### Foreign exchange risk

A. The Company's risk management's objective is to manage currency exchange risk, interest risk, credit risk, and liquidity risk regarding operating activities. To reduce relevant financial risks, the Company is devoted to identifying, evaluating, and circumventing market uncertainties to mitigate the potential negative impacts on the Company's financial performance due to market movements.

B. The Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be affected by the exchange rate fluctuations is as follow:

December 31, 2023					
<u>Sensitivity analysis</u>					
(Foreign currency: Functional currency)	<u>Amount in foreign currency (NT\$ Thousand)</u>	<u>Measurement at end of period Exchange rate</u>	<u>Carrying amount (NT\$)</u>	<u>Range of variation</u>	<u>Effects on profit and loss</u>
Financial assets - Monetary items					
USD:NTD	\$ 57	30.71	\$ 1,750	1%	\$ 18
Financial liabilities - Monetary items					
USD:NTD	3,005	30.71	92,284	1%	923
EUR:NTD	31	33.98	1,053	1%	11

December 31, 2022

Sensitivity analysis

(Foreign currency: Functional currency)	<u>Amount in foreign currency</u> (NT\$ Thousand)	<u>Measurement at end of period</u> <u>Exchange rate</u>	<u>Carrying amount</u> (NT\$)	<u>Range of variation</u>	<u>Effects on profit and loss</u>
Financial assets - Monetary items					
USD:NTD	\$ 43	30.71	\$ 1,321	1%	\$ 13
Financial liabilities - Monetary items					
USD:NTD	202	30.71	6,203	1%	62

C. Foreign exchange risk has significant impact on the Company, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were losses of NT\$2,041 and income NT\$2,118, for the years ended December 31, 2023 and 2022, respectively.

Price risk

- A. The Company's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- B. The Company mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, other comprehensive income due to classification to gains or losses of equity investments at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by NT\$4,711 and NT\$4,761.

Cash flow and fair value interest rate risk

- A. The Company's interest rate risk arises from short- and long-term borrowings with floating interest rates that expose the Company to cash flow interest rate risk. For 2023 and 2022, the borrowing of the Company at floating interest rate was mainly calculated in NTD.

- B. The borrowing of the Company was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Company is exposed to the risk of future market interest rate change.
- C. If interest rates on borrowings had been 0.1% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2023 and 2022 would have increased/decreased NT\$2,600 and NT\$2,800, respectively, due to change of interest expenses of borrowings at variable interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties' inability to repay the accounts payable according to the payment terms.
- B. The Company established management of credit risk from the Company's perspective. According to the internally specified credit extension policy, before each operating entity and each new customer establish the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.
- C. The Company adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.
- D. The Company uses IFRS to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.

When the contractual payments overdue from the payment terms for more than 30 days, it is deemed the credit risks of the financial instrument significantly increased since the initial recognition.
- E. The Company classifies the accounts payable of customers according to the characteristics of customer type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.
- F. After the collection procedures, the financial assets amount that cannot be reasonably estimated will be written-off. However, the Company will continue to continue to pursue the legal right of recourse to protect the claims.

G. The Company used the forecasting ability of the Taiwan Institute of Economic Research report to adjust historical and timely information to assess the default possibility and estimate impairment provisions for accounts receivable (including related parties) and contract assets (including related parties). As of December 31, 2023 and 2022, the loss rate methodology is as follows:

	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>December 31, 2023</u>			
Expected loss	0.02~0.03%	0.52%~100%	
Total carrying amount	<u>\$ 358,750</u>	<u>\$ 315,314</u>	<u>\$ 674,064</u>
Allowance for losses	<u>\$ 92</u>	<u>\$ 7,052</u>	<u>\$ 7,144</u>
	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>December 31, 2022</u>			
Expected loss	0.02~0.03%	0.26%~100%	
Total carrying amount	<u>\$ 451,789</u>	<u>\$ 203,395</u>	<u>\$ 655,184</u>
Allowance for losses	<u>\$ 121</u>	<u>\$ 3,406</u>	<u>\$ 3,527</u>

Group 1: Sales counterparty established for 10 years and more, or accounts receivables arising from transactions with related parties and contracts for public construction or to debtors who have high probability of performing the payment financially.

Group 2: Sales counterparty established for less than 10 years, or those who have general payment performance ability.

H. The accounts receivable allowance loss change table under the simplified approach of the Company is as follows:

	<u>2023</u>	<u>2022</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 3,527	\$ 3,862
Provision of impairment loss	3,617	-
Reversal of impairment loss	-	( 335)
December 31	<u>\$ 7,144</u>	<u>\$ 3,527</u>

### (3) Liquidity risk

A. Cash flow forecasting is performed by each of the operating entities of the Group and aggregated by the Finance Department. The Department also monitors the projections for the Group's need for funds to ensure that there is sufficient funding to support operating requirements.

B. For the remaining cash held by each of the operating entities, when it exceeds the management needs of operating capital, it then invests the remaining capital in the savings deposit with interest, time deposit, and equivalent cash - short-term notes and bills, etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level.

C. Details of the loan credit not yet drawn down by the Company are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Due within one year	\$ 580,000	\$ 340,000
Due longer than one year	<u>1,067,185</u>	<u>886,103</u>
	<u>\$ 1,647,185</u>	<u>\$ 1,226,103</u>

D. The table below analyzes the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Derivative financial liabilities are analyzed on the remaining period at the balance sheet date to the expected maturity date. The amounts disclosed in the following table are the contractual undiscounted cash flows:

<u>Non-derivative financial liabilities:</u> December 31, 2023	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 750,000	\$ -	\$ -
Short-term notes and bills payable (Note)	270,000	-	-
Notes payable (including related parties)	95,154	914	-
Accounts payable (including related parties)	214,438	986	1,036
Other payables (including related parties)	159,532	1,150	10,869
Lease liabilities - current (Note)	7,311	5,008	-
Long-term borrowings (Note)	11,061	33,183	2,524,684

Lease liabilities - non-current (Note)	-	-	7,206
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541

Note: The amount includes the expected interest to be paid in the future.

Non-derivative financial liabilities:

December 31, 2022	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 950,000	\$ -	\$ -
Short-term notes and bills payable (Note)	310,000	-	-
Notes payable (including related parties)	58,958	714	-
Accounts payable (including related parties)	198,900	1,009	3,215
Other payables (including related parties)	170,099	95	-
Lease liabilities - current (Note)	5,596	5,962	-
Long-term borrowings (including due within one year or one operating cycle) (Note)	11,264	581,076	2,017,250
Lease liabilities - non-current (Note)	-	-	12,963
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541

Note: The amount includes the expected interest to be paid in the future.

(III) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical Assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed and OTC stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments other than those measured at fair value

The carrying amount of the Company's cash and cash equivalent and the financial instruments measured at amortized cost, including notes receivable (including related parties), accounts receivable (including related parties), other financial assets, guarantee deposits paid, short-term borrowings, short-term notes payable, notes payable (including related parties), accounts payable (including related parties), other payables (including related parties), other long-term borrowings, and guarantee deposits received are approximated to their fair values.

3. The related information of financial and non-financial instruments measured at fair value by level on the basis of the natures, characteristic and risk, and fair value of the assets and liabilities is as follows:

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	<u>\$ 471,118</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471,118</u>

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	<u>\$ 476,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,123</u>

4. For financial instruments of the Company traded in active markets, their fair value is measured based on the market quotation at the end of the balance sheet date. The market is deemed to be an active market when the quotation can be obtained instantly and regularly from the stock exchange, dealer, broker, industry, rating agencies, and regulatory body, and that the quotation represents the actual and regular market transactions conducted under the basis of a normal transaction. The market price of the financial assets held by the Company is the closing market price. These instruments belong to Level 1. Level 1 instruments are mainly equity instruments. Their classification is financial assets at fair value through other comprehensive income.
5. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

### XIII. Separately Disclosed Items

#### (I) Information on significant transactions (including related information on subsidiaries)

1. Loans to others: None.
2. Endorsement/guarantee provided for others: None.
3. Holding of marketable securities at the end of the period (not including subsidiaries): Please refer to Table 1.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 2.
8. Receivables from related parties reaching NT\$ 100 million or 20% of paid-in capital or

more: Please refer to Table 3.

9. Engaged in trading of derivative instruments undertaken during the reporting periods:  
None.

10. Business relationships and significant intercompany transactions and amounts between a parent and its subsidiary company, or between its subsidiaries: Transaction amounts reaching NT\$10,000 thousand shall be disclosed in terms of assets and revenue.

There are no business relationships or important transactions between the parent and subsidiaries amounting to NT\$10,000 thousand or more in 2023.

(II) Information on Investees

Names, locations, and other information of investees: Please refer to Table 4.

(III) Information on Investments in China

None.

(IV) Information on main investors

Please refer to Table 5.

XIV. Information on Departments

Not applicable.

Ruentex Materials Co., Ltd.

Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)

December 31, 2023

Attached Table 1

Unit: NT\$ thousands  
(Except as Otherwise Indicated)

<u>Company holding the securities</u>	<u>Type and name of the securities (Note 1)</u>	<u>Relations with the issuer of securities (Note 2)</u>	<u>Account recognized</u>	<u>End of the period</u>			<u>Remarks (Note 4)</u>
				<u>Number of shares</u>	<u>Carrying amount (Note 3)</u>	<u>Shareholding percentage</u>	
Ruentex Materials Co., Ltd.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the ultimate parent company of the Company	Financial assets at fair value through other comprehensive income - non-current	7,200,236	\$ 462,975	0.65	\$ 462,975
	Shares of OBI Pharma, Inc.	The direct parent company's representative of the juridical person director is the representative of the juridical person director of the company	Financial assets at fair value through other comprehensive income - non-current	117,337	8,143	0.05	8,143
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the ultimate parent company of the Company	Financial assets at fair value through other comprehensive income - non-current	2,598,464	167,081	0.24	167,081

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above within the scope of IFRS No.9.

Note 2: Not required to be filled in for the issuers of securities that are not related parties.

Note 3: Please fill in the value carried at adjusted fair value less accumulated impairment losses for those measured at fair value and the value varied at acquisition cost or amortized cost less accumulated impairment losses for those not measured at fair value.

Note 4: The securities listed that are limited to their use due to the provision of security, pledge loans or others in accordance with the contract shall indicate the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the limits on the use in the in the column of "Remarks".

Ruentex Materials Co., Ltd.

Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

January 1 to December 31, 2023

Attached Table 2

Unit: NT\$ thousands

(Except as Otherwise Indicated)

<u>The company making the purchase (sale) of goods</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Transaction conditions</u>			<u>Unit price</u>	<u>Credit period</u>	<u>Balance</u>	<u>Remark (Note 2)</u>
			<u>Purchase (sale) of goods</u>	<u>Amount</u>	<u>As a percentage of total purchases (sales) of goods (Note 4)</u>				
Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Direct parent company of the Company	Sales of goods/Contract of construction	\$ 151,752	3.81	Negotiated price	The amount shall be collected in accordance with the term of the construction/sales contract	\$ 32,087	3.88
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	The ultimate parent company	Sales of goods/Contract of construction	350,667	23.04	Negotiated price	The amount shall be collected in accordance with the term of the construction/services/sales contract	51,451	11.05
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	Project solicitation	295,611	19.43	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	146,567	31.46

Note 1: If the terms and conditions of transaction with the related parties are different from the general terms and conditions of transaction, the difference and the reason for any such difference shall be specified in the column of unit price and the credit period.

Note 2: In the case of prepayments in advance (or advance receipts), the reasons, the terms and conditions of the contract, the amount and the difference between the general type of transactions shall be specified in the column of Remarks.

Note 3: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 4: Calculate from the perspective of the entity of the company making the purchase (sale) of goods.

Ruentex Materials Co., Ltd.

Accounts receivable due from related parties amounting to at least \$100 million or 20% of the paid-in capital

December 31, 2023

Attached Table 3

Unit: NT\$ thousands

(Except as Otherwise Indicated)

<u>The company recognized as receivables</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Balance of accounts receivable due from related parties</u>		<u>Overdue accounts receivable due from related parties</u>			<u>Period of receivables from related parties</u>	<u>Amount of loss allowance</u>
			<u>(Note 1)</u>	<u>Turnover</u>	<u>Amount</u>	<u>Approach to handling</u>	<u>amount recovered later</u>		
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	\$ 146,567	4.03	\$ -	\$ -	\$ 139,239	\$ -	

Note 1: Please fill in the value separately according the accounts receivable, notes receivable and other receivables.

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Ruentex Materials Co., Ltd.

The name of the invested company, the location and other relevant information (excluding the invested companies in China)

January 1 to December 31, 2023

Attached Table 4

Unit: NT\$ thousands

<u>Name of the investing company</u>	<u>Type and name of the securities</u>	<u>Location</u>	<u>Main business items</u>	<u>Original investment amount</u>		<u>Holding at the end of period</u>			<u>Current profit and loss of the investee company</u>	<u>Gains and losses on investment recognized for the current period</u>	<u>Remark</u>
				<u>End of the current period</u>	<u>End of last year</u>	<u>Shares</u>	<u>Percentage</u>	<u>Carrying amount</u>			
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Interior design	\$ 126,721	\$ 126,721	4,750,000	35.19	\$ 174,927	\$ 148,069	\$ 52,098	Subsidiaries

Ruentex Materials Co., Ltd.  
Information on main investors  
December 31, 2023

Attached Table 5

<u>Name of Major Shareholders</u>	<u>Number of shares held</u>	<u>Shares</u>	<u>Shareholding percentage</u>
Ruentex Engineering & Construction Co., Ltd.	58,726,917		39.15
Ruentex Development Co., Ltd.	15,740,381		10.49
Fu, Cheng-Ping	9,200,000		6.13

Ruentex Materials Co., Ltd.  
Statement of cash and cash equivalents  
December 31, 2023

Statement 1

Unit: NT\$ thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Petty cash and cash on hand		\$ 230
Bank deposits		
- Checking deposits		24,690
- Demand deposits	including USD 57,092.64, exchange rate 30.71	
	EUR 7.52, exchange rate 33.98	64,241
Cash equivalents - Bonds under repurchase agreements	Maturity before January 5, 2024, interest rate 0.62%	<u>28,184</u>
		<u>\$ 117,345</u>

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Ruentex Materials Co., Ltd.  
Statement of notes receivable  
December 31, 2023

Statement 2

Unit: NT\$ thousands

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Customer A		\$ 22,879	
Customer B		12,827	
Customer C		11,166	
Customer D		8,502	
Other sporadic customers			The balance of each sporadic customer has not exceed 5% or more of the account title
		<u>113,113</u>	
		<u>\$ 168,487</u>	

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Ruentex Materials Co., Ltd.  
Statement of accounts receivable  
December 31, 2023

Statement 3

Unit: NT\$ thousands

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Customer E		\$ 152,335	
Other sporadic customers		471,728	The balance of each sporadic customer has not exceed 5% or more of the account title
		<u>624,063</u>	
Less: Allowance for bad debt		<u>( 7,144)</u>	
		<u>\$ 616,919</u>	

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Ruentex Materials Co., Ltd.  
Statement of Inventories  
December 31, 2023

Statement 4

Unit: NT\$ thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>		<u>Remarks</u>
		<u>Cost</u>	<u>Net realizable value</u>	
Raw materials and supplies		\$ 469,135	\$ 489,609	Based on net realizable value valuation
Work in process		164,837	201,197	
Finished goods		94,139	111,771	
Merchandise inventory		7,325	7,784	
		<u>735,436</u>	<u>\$ 810,361</u>	
Less: Allowance for loss on market value decline of inventory		<u>( 2,618)</u>		
Net Amount		<u>\$ 732,818</u>		

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Ruentex Materials Co., Ltd.  
Statement of changes in financial assets measured at fair value through profit or loss - non-Current  
January 1, 2023 to December 31, 2023

Statement 5

Unit: NT\$ thousands

<u>Name</u>	<u>Beginning of Period</u>		<u>Increased in the current period</u>		<u>Decreased in the current period</u>				<u>End of Period</u>		<u>Provided as a guarantee or hedge</u>	<u>Remarks</u>	
	<u>Number of shares</u>	<u>Fair value</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Disposal proceeds</u>	<u>Costs of disposal</u>	<u>Disposal profit (loss)</u>	<u>Adjustment change to unrealized valuation gains and loss from financial products</u>	<u>Number of shares</u>			<u>Fair value</u>
Ruentex Industries Ltd.	7,200,236	\$ 468,015	-	\$ -	-	\$ -	\$ -	\$ -	(\$ 5,040)	7,200,236	\$ 462,975	Nil	
OBI Pharma, Inc.	117,337	8,108	-	-	-	-	-	-	35	117,337	8,143	Nil	
		<u>\$ 476,123</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 5,005)</u>		<u>\$ 471,118</u>		

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Ruentex Materials Co., Ltd.  
Statement of changes in investments accounted for using the equity method  
January 1, 2023 to December 31, 2023

Statement 6

Unit: NT\$ thousands

<u>Name</u>	<u>Balance at the beginning of the period</u>		<u>Increase in the current period</u>		<u>Decrease in the current period</u>		<u>Balance at the end of the period</u>			<u>Market price</u>	<u>Total</u>	<u>Provided as a</u>	<u>Remark</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u> (Note 1)	<u>Shares</u>	<u>Amount</u> (Note 2)	<u>Shares</u>	<u>Shareholding</u> <u>percentage</u>	<u>Amount</u>	<u>Unit</u> <u>price</u> (NT\$)	<u>amount</u>	<u>guarantee or</u> <u>hedge</u>	
Ruentex Interior Design Inc.	4,750,000	<u>\$ 159,254</u>	-	<u>\$ 51,298</u>	-	<u>(\$ 35,625)</u>	4,750,000	35.19%	<u>\$174,927</u>	177.50	<u>\$843,125</u>	Nil	

Note 1: Including the shares of profit or loss of subsidiaries recognized using the equity method at NT\$52,098, recognized fair value changes of other comprehensive income at (NT\$572), and actuarial losses on defined benefits at NT\$228.

Note 2: Including the cash dividends of \$35,625 received in the current period.

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Ruentex Materials Co., Ltd.  
Statement of short-term borrowings  
December 31, 2023

Statement 7

Unit: NT\$ thousands

<u>Types of borrowing</u>	<u>Balance at the end of the period</u>	<u>Time-limit for contract</u>	<u>Interest rate collars</u>	<u>Loan limit</u>	<u>Mortgage or guarantee</u>	<u>Remarks</u>
Credit Loan						
First Bank	\$ 400,000	2023.09.22~2024.09.22	1.78%	\$ 600,000		Guarantee notes NT\$600,000
Bank of Taiwan	<u>350,000</u>	2023.04.07~2024.04.07	1.83%	400,000		Guarantee notes NT\$400,000
	<u>\$ 750,000</u>					

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Ruentex Materials Co., Ltd.  
Statement of short-term notes and bills payable  
December 31, 2023

Statement 8

Unit: NT\$ thousands

<u>Item</u>	<u>Guarantee or institution</u>	<u>Time-limit for contract</u>	<u>Interest rate collars</u>	<u>Amount</u>			<u>Mortgage or guarantee</u>	<u>Remarks</u>
				<u>Issuing amount</u>	<u>Unamortized discount for short-term bills payable</u>	<u>Carrying amount</u>		
Commercial papers payable	China Bills	2023.12.21~2024.1.2	1.32%	\$ 70,000	(\$ 2)	\$ 69,998		
Commercial papers payable	Mega Bills	2023.12.29~2024.1.8	1.61%	200,000	( 62)	199,938		Guarantee notes NT\$100,000
				<u>\$ 270,000</u>	<u>(\$ 64)</u>	<u>\$ 269,936</u>		Guarantee notes NT\$200,000

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Ruentex Materials Co., Ltd.  
Statement of long-term borrowings  
December 31, 2023

Statement 9

Unit: NT\$ thousands

<u>Creditor</u>	<u>Summary</u>	<u>Amount borrowed</u>	<u>Time-limit for contract</u>	<u>Interest Rate</u>	<u>Mortgage or guarantee</u>	<u>Remark</u>
Chang Hwa Bank	Secured loan	\$ 1,600,000	2023.09.01~2025.08.31	1.75%	Secured loan using property, plant and equipment	
Bank SinoPac	Credit Loan	400,000	2023.09.30~2025.09.30	1.80%	Guarantee notes NT\$400,000	
KGI Bank	Credit Loan	200,000	2023.02.22~2025.02.22	1.852%	Guarantee notes NT\$300,000	
Hua Nan Commercial Bank	Credit Loan	<u>300,000</u>	2023.12.23~2025.06.23	1.78%	Guarantee notes NT\$300,000	
		<u>\$ 2,500,000</u>				

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Ruentex Materials Co., Ltd.  
Statement of operating income  
January 1, 2023 to December 31, 2023

Statement 10

Unit: NT\$ thousands

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>	<u>Remarks</u>
Sales revenue			
Cement	697 thousand tons	\$ 1,947,628	
RT.MIX building materials	533 thousand tons	1,911,927	
Ground granulated blast furnace - slag		361	
Limestone	-	<u>155</u>	
Total sales revenue		3,860,071	
Sales returns		( 6,289)	
Sales discounts		<u>( 24,601)</u>	
Net sales revenue		3,829,181	
Construction contract revenue		48,029	
Other revenue from contracts		<u>110,791</u>	
Net amount of operating revenue		<u>\$ 3,988,001</u>	

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Ruentex Materials Co., Ltd.  
Statement of operating costs  
January 1, 2023 to December 31, 2023

Statement 11

Unit: NT\$ thousands

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Operation cost		
Cost of sales for externally purchased products		
Beginning inventory	\$ 326	
Add: Purchases for current period	37,122	
Less: Ending inventory	( 7,325)	
Total cost of purchases and sales	<u>30,123</u>	
Manufacturing business costs		
Direct materials and supplies		
Beginning inventory	458,407	
Add: Materials purchased in the current period	2,342,568	
Less: Ending inventory	( 469,135)	
Less: Transferred to production overheads	( 137,629)	
Direct materials and supplies consumption	2,194,211	
Direct labor (Note 1)	113,904	
Production overheads (Note 2)	<u>873,024</u>	
Manufacturing cost	3,181,139	
Add: Beginning inventory of work-in-process	134,796	
Less: Ending inventory of work-in-process	( 164,837)	
Finished goods cost	3,151,098	
Add: Beginning inventory of finished goods	110,761	
Less: Ending inventory of finished goods	( 94,139)	
Add: Taxes, transportation, etc. costs (Note 3)	416,444	
Less: Revenue from sales of scraps	( 8,260)	
Sub-total of production cost	3,575,904	
Loss on market value decline of inventory	<u>1,646</u>	
Total of production costs	<u>3,577,550</u>	
Total cost of sales	3,607,673	
Construction cost	37,223	
Other costs from contracts	<u>7,153</u>	
Total operation costs	<u>\$ 3,652,049</u>	

Note 1: Including salary expense of NT\$77,156.

Note 2: Including transferred from raw materials at NT\$95,348.

Note 3: Including transferred from raw materials at NT\$14,300 and unamortized production expenses at NT\$6,840.

Ruentex Materials Co., Ltd.  
Statement of production overheads  
January 1, 2023 to December 31, 2023

Statement 12

Unit: NT\$ thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Utilities expense		\$ 275,271	
Depreciation expense		224,074	
Packaging expenses		182,567	
Wages and salaries		89,596	
Repairs and maintenance expenses		83,997	
Other overheads (Note)		<u>17,519</u>	
		<u>\$ 873,024</u>	

Note: Including amortized expenses at NT\$980.

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Ruentex Materials Co., Ltd.  
Statement of selling expenses  
January 1, 2023 to December 31, 2023

Statement 13

Unit: NT\$ thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Wages and salaries		\$ 45,084	
Depreciation expense		3,777	
Insurance expense		4,116	
Other expense (Note)		<u>22,728</u>	
		<u>\$ 75,705</u>	

Note: Including amortized expenses at NT\$155.

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Ruentex Materials Co., Ltd.  
Statement of administrative expenses  
January 1, 2023 to December 31, 2023

Statement 14

Unit: NT\$ thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Wages and salaries		\$ 40,588	
Depreciation expense		3,213	
Other expense (Note)		<u>42,918</u>	
		<u>\$ 86,719</u>	

Note: Including amortized expenses at NT\$387.

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Ruentex Materials Co., Ltd.  
Statement of research and development (R&D) expenses  
January 1, 2023 to December 31, 2023

Statement 15

Unit: NT\$ thousands

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Wages and salaries		\$ 27,724	
Depreciation expense		4,905	
Repairs and maintenance expenses		3,642	
Other expense		<u>17,963</u>	
		<u>\$ 54,234</u>	

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Ruentex Materials Co., Ltd.

Summarized statement of employee benefits, depreciation, depletion and amortization expenses incurred during the current period  
January 1, 2023 to December 31, 2023

Statement 16

Unit: NT\$ thousands

Nature \ Function	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ 166,752	\$ 113,396	\$ 280,148	\$ 155,318	\$ 103,554	\$ 258,872
Labor and Health Insurance costs	16,526	9,573	26,099	15,542	8,525	24,067
Pension expense	6,315	4,426	10,741	5,964	4,167	10,131
Directors' Remuneration	-	2,856	2,856	-	3,036	3,036
Other employee benefit expense	12,167	9,734	21,901	11,565	8,463	20,028
Depreciation expenses (including of right-of-use assets)	224,074	11,895	235,969	192,269	19,401	211,670
Amortization	7,820	542	8,362	7,444	2,021	9,465

Note:

1. As of December 31, 2023 and 2022, the number of employees was 360 and 349 persons, respectively, of which 8 directors were not employees.
2. Shall the shares of the company listed and traded in TWSE or TPEX, the following information shall be disclosed:
  - (1) The average employees' benefit expenses of the year was NT\$963 thousand (total of employees' benefit expenses - total remuneration of directors of the year/number of employees - number of directors who are not concurrent employees of the year).  
The average employees' benefit expenses of the previous year were NT\$918 thousand (Total of employees' benefit expenses - total remuneration of directors of the previous year/number of employees - number of directors who are not concurrent employees of the previous year).
  - (2) The average employees' salary expenses of the year was NT\$796 thousand (Total of salary expenses of the year/number of employees - number of directors who are not concurrent employees of the year).  
The averaged employees' salary expenses of the previous year was NT\$759 thousand (Total of salary expenses of the previous year/number of the employees - numbers of directors who did not serve concurrently as employees of the previous year).
  - (3) The average adjustment to employees' salary expenses was 4.87% (Average salary expenses of the year - average salary expenses of the previous year/average salary expenses of the previous year).

Ruentex Materials Co., Ltd.

Summarized statement of employee benefits, depreciation, depletion and amortization expenses incurred during the current period (continued)

January 1, 2023 to December 31, 2023

Statement 16

Unit: NT\$ thousands

(4) Company salary policy

A. Director salary and remuneration policy:

Regulations relating to the director remuneration is stated mainly in the Company's "Articles of Incorporation". The Board of Directors is authorized to decide the remuneration amount based on the director's involvement in the Company's operation and contribution with reference to industry standard. After the Remuneration Committee makes its suggested proposal, it is submitted to the Board for discussion.

B. Managerial officer salary and remuneration policy:

The salary and remuneration of the Company's managerial officers shall be made with reference to industry standards and taking into account of the individual performance evaluation results, the time invested, job responsibility, achievement of objectives, performances in other posts, and compensation to the equivalent ranks within the Company in recent years. Furthermore, the Company also considers its achievements in short-term and long-term business objectives, the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure. After the Remuneration Committee makes its suggested proposal, it is submitted to the Board for discussion.

C. Employee salary and remuneration policy:

The employee salary approval is based on the Company's "Salary Management Regulations" and the related bonus and subsidy regulations established by the Company. These form the basis in providing employee remuneration and benefits complying with labor laws, mainly consisting of basic salary (including base salary, meal subsidy), position allowance, professional subsidy, performance rewards, individual performance annual salary adjustment, end-of-year bonuses, and so on. Additionally, the Company's "Articles of Incorporation" regulate that if the Company makes profit for the year, it shall allocate at least 1% of the profit as employee remuneration, and the Company shall reserve an amount in advance to make up for any accumulated losses, so as to put the business performance results into appropriate reflection toward employees' remuneration.

I. Spokesperson and Deputy Spokesperson:

Name of Spokesperson: Chen, Hsueh-Hsien

Position title: President

Phone: (02) 8161-9989

Email: [rtm@mail.ruentex.com.tw](mailto:rtm@mail.ruentex.com.tw)

Deputy Spokesperson: Wu, Po-Chung

Title: Associate director of accounting

Phone: (02) 8161-9989

Email: [rtm@mail.ruentex.com.tw](mailto:rtm@mail.ruentex.com.tw)

II. Address and Phone Number of Headquarters, branch and factory:

Headquarters: 10F, No. 308, Sec. 2, Bade Rd., Taipei City, Taiwan

Phone: (02) 8161-9989

Yilan Branch: No. 357, Da-An Rd., Dongshan Township, Yilan County, Taiwan

Phone: (03) 959-6989

Yilan Dongshan Factory: No. 357, No. 357-1, No. 357-2, No. 357-3, Da-An Rd., Dongshan Township, Yilan County, Taiwan

Phone: (03) 959-6989

Pingtung Ligang Factory: No. 1-7, No. 1-8, Zhongnan, Ligang Township, Pingtung County, Taiwan

Phone: (08) 773-3077

III. Shareholder Services:

Name: Yuanta Security

Address: B1, No. 210, Sec. 3, Chengde Rd., Taipei City, Taiwan

Phone: (02) 2586-5859

Website: <http://www.yuanta.com.tw>

IV. CPA of Financial Statements of the Most Recent Year:

Certified Public Accountants: Huang, Chin-Lien, Chang, Shu-Chiung

Name of CPA Firm: PwC Taiwan

Address: 27F., No. 333, Sec. 1, Keelung Rd., Taipei City, Taiwan

Phone: (02) 2729-6666

Website: <http://www.pwc.tw>

V. Name of overseas exchange where securities are listed, and the methods for inquiring the foreign-listed securities: None.

VI. Corporate website: <http://www.rtm.com.tw>

Ruentex Materials Co., Ltd.

Chairman: Mo, Wei-Han

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