

Ruentex Materials Co., Ltd.
Unconsolidated Financial Statements and Report
of Independent Accountants
2024 and 2023
(Stock Code: 8463)

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Ruentex Materials Co., Ltd.

Unconsolidated Financial Statements and Report of Independent Accountants of 2024
and 2023
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Independent Auditors' Report

(2025) Cai-Shen-Bao-Zi No. 24003284

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

Audit Opinions

We have audited the accompanying unconsolidated balance sheets of Ruentex Materials Co., Ltd. as of December 31, 2024 and 2023 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, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for 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, 2024. 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, 2024 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 the Management and Governing Bodies for 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.

Responsibilities of the Accountants for the Audit of 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. We have also conducted the following tasks:

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, 2024 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.
No. 1100348083

Former Financial Supervisory Commission, Executive
Yuan

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

March 12, 2025

Ruentex Materials Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ thousands

Assets		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6 (1)	\$ 159,073	2	\$ 117,345	2
1140	Contract asset - current	6(17) and 7	23,530	-	12,738	-
1150	Net notes receivable	6(2)	252,803	3	168,487	3
1160	Notes receivable - related parties - net	6(2) and 7	5,485	-	3,895	-
1170	Net accounts receivable	6(2)	618,403	8	616,919	10
1180	Accounts receivable - related parties - net	6(2) and 7	35,328	1	37,263	1
1220	Current tax assets		87	-	87	-
130X	Inventories	6(3)	751,973	9	732,818	11
1410	Prepayments		27,908	-	32,366	-
1470	Other current assets		856	-	1,451	-
11XX	Total current assets		1,875,446	23	1,723,369	27
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(4) and 7	528,970	6	471,118	7
1550	Investments accounted for using equity method	6(5)(12) and 8	1,857,611	23	174,927	3
1600	Property, plant, and equipment	6(6), 7, and 8	3,694,552	45	3,664,071	58
1755	Right-of-use assets	6(7)	26,215	-	13,261	-
1780	Intangible assets	6(8)	164,765	2	170,099	3
1840	Deferred tax assets	6(25)	29,533	-	28,821	-
1900	Other non-current assets	6 (1), 7 and 8	115,426	1	114,192	2
15XX	Total non-current assets		6,417,072	77	4,636,489	73
1XXX	Total Assets		\$ 8,292,518	100	\$ 6,359,858	100

(Continued)

Ruentex Materials Co., Ltd.
Unconsolidated Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ thousands

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(9) and 8	\$ 1,200,000	14	\$ 750,000	12
2110	Short-term notes and bills payable	6(10)	409,822	5	269,936	4
2130	Contract liabilities - current	6(17) and 7	39,729	-	27,213	-
2150	Notes payable		123,599	2	95,347	2
2160	Notes payable - related party	7	566	-	721	-
2170	Accounts payable		295,242	4	214,402	3
2180	Accounts payable - related party	7	2,107	-	2,058	-
2200	Other payables	6(11)	220,254	3	171,164	3
2220	Other Payable - related Party	7	368	-	387	-
2230	Income tax liabilities of current period		13,918	-	7,843	-
2280	Lease liabilities - current	6(7)	16,344	-	12,167	-
2399	Other current liabilities - other		1,626	-	1,383	-
21XX	Total current liabilities		2,323,575	28	1,552,621	24
Non-current liabilities						
2540	Long-term borrowings	6(12) and 8	3,430,000	42	2,500,000	40
2570	Deferred tax liabilities	6(25)	38	-	20	-
2580	Lease liabilities - non-current	6(7)	12,781	-	7,159	-
2600	Other non-current liabilities		22,563	-	18,843	-
25XX	Total non-current liabilities		3,465,382	42	2,526,022	40
2XXX	Total Liabilities		5,788,957	70	4,078,643	64
Equity						
	Capital	6(14)				
3110	Share capital		1,500,000	18	1,500,000	23
	Capital surplus	6(15)				
3200	Capital surplus		746,018	9	677,124	11
	Retained earnings	6(16)				
3310	Legal reserve		62,246	1	50,770	1
3320	Special reserve		55,895	1	50,317	1
3350	Undistributed earnings		188,065	2	114,756	2
	Other equities					
3400	Other equities		(48,663)	(1)	(111,752)	(2)
3XXX	Total Equity		2,503,561	30	2,281,215	36
	Significant contingent liabilities and unrecognized commitments	9				
	Significant subsequent events	11				
3X2X	Total Liabilities and Equity		\$ 8,292,518	100	\$ 6,359,858	100

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

Chairman: Mo, Wei-Han

Manager: Lin, Yi-Chieh

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd.
Unconsolidated Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023

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

	Item	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating income	6(17) and 7	\$ 4,673,931	100	\$ 3,988,001	100
5000	Operation cost	6(3)(8) (13)(18) (23) (24) and 7	(4,242,604)	(91)	(3,652,049)	(92)
5900	Gross profit		<u>431,327</u>	<u>9</u>	<u>335,952</u>	<u>8</u>
	Operating expenses	6(8)(13) (23) (24) and 7	(99,296)	(2)	(75,705)	(2)
6100	Selling expenses		(100,071)	(2)	(86,719)	(2)
6200	General & administrative expenses		(58,942)	(2)	(54,234)	(1)
6300	R&D expenses		(3,391)	-	(3,617)	-
6450	Expected credit impairment losses	12(2)	(261,700)	(6)	(220,275)	(5)
6000	Total operating expenses		<u>169,627</u>	<u>3</u>	<u>115,677</u>	<u>3</u>
6900	Operating Profit					
	Non-operating income and expenses					
7100	Interest revenue	6(19)	2,117	-	2,083	-
7010	Other income	6(20)	19,315	-	19,614	1
7020	Other gains and losses	6(21)	(778)	-	(2,696)	-
7050	Financial costs	6(22)	(68,900)	(1)	(64,055)	(2)
7070	Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(5)	<u>85,740</u>	<u>2</u>	<u>52,098</u>	<u>1</u>
7000	Total non-operating income and expenses		<u>37,494</u>	<u>1</u>	<u>7,044</u>	-
7900	Net profit before tax		<u>207,121</u>	<u>4</u>	<u>122,721</u>	<u>3</u>
7950	Income tax expense	6(25)	(19,588)	-	(7,738)	-
8200	Net income of current period		<u>\$ 187,533</u>	<u>4</u>	<u>\$ 114,983</u>	<u>3</u>
	Other comprehensive income (net)					
	Items not to be reclassified into profit or loss					
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(4)	\$ 56,967	1	(\$ 5,005)	-
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		<u>6,452</u>	-	(800)	-
8310	Total of items not to be reclassified into profit or loss		<u>63,419</u>	<u>1</u>	<u>(5,805)</u>	-
8500	Total comprehensive income for the current period		<u>\$ 250,952</u>	<u>5</u>	<u>\$ 109,178</u>	<u>3</u>
	Earnings per share	6(26)				
9750	Basic earnings per share		\$ 1.25		\$ 0.77	
9850	Diluted earnings per share		\$ 1.25		\$ 0.77	

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

Chairman: Mo, Wei-Han

Manager: Lin, Yi-Chieh

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd.
Unconsolidated Statement of Changes in Equity
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	Common share capital	Issued at premium	Capital surplus		Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired	Total equity
				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>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 for this 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
<u>2024</u>										
Balance on January 1, 2024		\$ 1,500,000	\$ 621,657	\$ 15,076	\$ 40,391	\$ 50,770	\$ 50,317	\$ 114,756	(\$ 111,752)	\$ 2,281,215
Net income of current period		-	-	-	-	-	-	187,533	-	187,533
Other comprehensive income		-	-	-	-	-	-	330	63,089	63,419
Total comprehensive income for this period		-	-	-	-	-	-	187,863	63,089	250,952
Appropriation and distribution of the earnings for 2023:	6(16)									
Profit set aside as legal reserve		-	-	-	-	11,476	-	(11,476)	-	-
Provision of special reserves		-	-	-	-	-	5,578	(5,578)	-	-
Cash dividends		-	-	-	-	-	-	(97,500)	-	(97,500)
Changes in ownership interests in subsidiaries	6(5)	-	-	-	68,894	-	-	-	-	68,894
Balance as of December 31, 2024		\$ 1,500,000	\$ 621,657	\$ 15,076	\$ 109,285	\$ 62,246	\$ 55,895	\$ 188,065	(\$ 48,663)	\$ 2,503,561

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

Chairman: Mo, Wei-Han

Manager: Lin, Yi-Chieh

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd.
Unconsolidated Statement of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	2024	2023
<u>Cash flows from operating activities</u>			
Profit before income tax current period		\$ 207,121	\$ 122,721
Adjustments			
Income and expenses			
Depreciation expense	6(6)(7) (23)	272,001	235,969
Depreciation and amortization expenses	6(8)(23)	6,269	8,362
Expected credit impairment losses	12(2)	3,391	3,617
Interest expense	6(22)	68,900	64,055
Interest revenue	6(19)	(2,117)	(2,083)
Dividend income	6(20)	(18,001)	(14,400)
Share of other comprehensive gains of subsidiaries, affiliates, and joint ventures recognized using the equity method	6(5)	(85,740)	(52,098)
Loss on disposal of property, plant and equipment	6(21)	41	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contract asset		(10,792)	(905)
Notes receivable		(84,316)	(17,959)
Notes receivable - related parties		(1,590)	(3,545)
Accounts receivable		(4,875)	(20,378)
Accounts receivable - related party		1,935	2,403
Inventories		(19,155)	(29,500)
Prepayments		4,458	(13,059)
Other current assets		598	(1,346)
Net change in operating liabilities			
Contract liabilities - current		12,516	2,949
Notes payable		28,252	37,539
Notes payable - related party		(155)	(1,143)
Accounts payable		80,840	13,080
Accounts payable - related party		49	256
Other payables		35,667	20,315
Other Payable - Related Party		(19)	14
Other current liabilities		243	42
Other non-current liabilities		2,822	(963)
Cash inflow from operations		498,343	353,943
Interest received		2,114	2,072
Dividends received		60,751	50,025
Interest paid		(67,210)	(64,051)
Income tax paid		(14,207)	(190)
Income tax refunded		-	6,006
Cash inflow from operating activities		479,791	347,805

(Continued)

Ruentex Materials Co., Ltd.
Unconsolidated Statement of Cash Flows
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ thousands

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at fair value	6(4)		
through other comprehensive income		(\$ 885)	\$ -
Decrease (increase) in other financial assets		(42)	5,028
Acquisition of property, plant and equipment	6(27)	(269,639)	(316,774)
Investment in intangible assets	6(8)	(935)	(5,524)
Investment under the equity method acquired	6(5)	(1,564,348)	-
Increase in prepayments for equipment		(1,533)	(15,582)
Increase in prepaid construction payments	7(3)	(2,084)	-
Decrease (increase) in refundable deposits		49	(100)
Cash used in investing activities		(1,839,417)	(332,952)
<u>Cash flows from financing activities</u>			
Net increase (decrease) in short-term borrowings	6(28)	450,000	(200,000)
Increase (decrease) in short-term notes and bills payable	6(28)	140,000	(40,000)
Proceeds from long-term borrowings	6(28)	1,380,000	1,200,000
Repayments of long-term borrowings	6(28)	(450,000)	(1,250,000)
Increase in guarantee deposits	6(28)	898	-
Principal elements of lease payments	6(28)	(22,044)	(5,579)
Cash dividends paid	6(16)	(97,500)	(34,500)
Net cash inflow (outflow) from financing activities		1,401,354	(330,079)
Net increase (decrease) in cash and cash equivalents		41,728	(315,226)
Cash and cash equivalents at the beginning of the period		117,345	432,571
Cash and cash equivalents, end of period		\$ 159,073	\$ 117,345

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

Chairman: Mo, Wei-Han

Manager: Lin, Yi-Chieh

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd.
Notes to Financial Statements
2024 and 2023

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 12, 2025.

III. Application of New Standards, Amendments 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 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.

(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 2025 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 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.

(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 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts for Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by 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
IFRS 18 "Presentation and Disclosure in of Financial Statements"	January 1, 2027
IFRS 19 “Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact on the Company's financial condition and operating result based on the Company's assessment:

1. Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments are as follows:

- (1) They are to clarify the dates of recognition and derecognition of certain financial assets and liabilities, add that when a financial liability (or part of a financial liability) is settled in cash using an electronic payment system, if and only if an enterprise initiates a payment instruction that results in the following, the enterprise is allowed to have its financial liabilities discharged before the settlement date:
 - A. The enterprise does not have the ability to withdraw, stop, or cancel the payment instruction;
 - B. The enterprise has no actual ability to obtain cash for settlement due to the payment instruction;
 - C. The settlement risk related to the electronic payment system is not significant.
- (2) They are to clarify and add further guidance on assessing whether financial assets meet the SPPI criteria, including contractual terms that change cash flows based on contingencies (e.g., interest rates linked to ESG instruments), non-recourse instruments, and contract-linked tools.
- (3) It is updated that the fair values of equity instruments designated as at fair value through other comprehensive income through an irrevocable election should be disclosed on a per-category basis without a need to disclose the fair value per instrument. In addition, the amount of fair value gain or loss recognized in other comprehensive income during the reporting period should be disclosed and separately presented in the amount of fair value gain or loss related to the investments that were derecognized during the reporting period, the amount of fair value gain and loss related to the investments still held at the end of the reporting period; and cumulative gains and losses from investments derecognized during the reporting period and transferred to equity during the reporting period.

2. IFRS 18 "Presentation and Disclosure in of Financial Statements"

IFRS 18 "Presentation and Disclosure in of Financial Statements" replaces IAS 1, updates the structure of statements of comprehensive income, adds the disclosure of management performance measures, and improves the principles for aggregation and disaggregation used in the main financial statements and notes.

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 with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date.

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) Investments accounted for using equity method / subsidiaries associates and joint ventures

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. Changes in the Company's ownership interest in a subsidiary that do not result in the Company's losing control (and non-controlling equity transaction) of the subsidiary are equity transactions, and it is also considered as a transaction between 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.
5. An associate is an entity over which the Company has significant influence but without control power, and it generally refers to an entity that the Company directly or indirectly holds more than 20% of shares of voting rights. The Company uses the equity method to account for its investments in associates, and costs are recognized during the acquisition thereof.
6. The Company's share of its associate' post-acquisition profits or losses are 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 of an associate equals or exceeds its interest in that associate (which includes any other unsecured accounts receivable), the Company discontinues recognizing its share of further losses; unless that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

7. For changes of equity interests in affiliated company that do not relate to profit and loss or other comprehensive income or affect proportion of shares held by the Company, the Company shall recognize these changes in equity interests as capital reserve in proportion to shares it holds in the affiliated company.
8. The unrealized profit or loss generated from the transactions between the Company and an associate has been eliminated according to the equity ratio of the associate. Unless there is evidence indicating that the asset transferred in such transaction has impairment, the unrealized loss is also eliminated. The accounting policies of the associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
9. When an associate issues new shares, if the Company does not subscribe or acquire according to such ratio such that there is a change in the investment ratio and still causing significant impact, then “capital reserve” and “investment accounted for using equity method” are adjusted for the increase/decrease of the change of net value of the equity. If it causes the investment ratio to decrease, in addition to the aforementioned adjustment, for the profit or loss related to the decrease of the ownership equity and previously recognized in the other comprehensive income, and such profit or loss requires to be reclassified into profit or loss during the disposal of relevant Assets or liabilities, it is reclassified into profit or loss according to the ratio of decrease.
10. When the Company disposes an associate, if the Company loses its significant influence on the associate, then for all of the amounts related to the associate previously recognized in other comprehensive income, if its accounting handling basis is identical to the disposal of relevant Assets or liabilities directly, i.e. such as the profit or loss recognized in the other comprehensive income, it is re-classified as profit or loss during the disposal of relevant Assets or liabilities, then when the Company loses its significant influence on the associate, such profit or loss shall be re-classified as profit or loss from equity. If the Company still has significant influence on the associate, then the amount previously recognized in the other comprehensive income is transferred out proportionally according to the aforementioned method.
11. 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 and structures	2 years ~ 50 years
Machinery and equipment	2 years ~ 25 years
Transportation equipment	2 years ~ 5 years
Office equipment	3 years ~ 5 years
Leased assets	3 years ~ 5 years
Miscellaneous equipment	2 years ~ 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 availed 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

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 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

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.

(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. Sale of goods

- (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 revenue is not significant in amount and 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 subsidies

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 grants is to compensate the expenses incurred by the Company, such grants shall be recognized as the current profit or loss on a systematic basis during the period in which such expenses are incurred (listed as a deduction of “manufacturing costs” and “operating expenses”).

V. Critical Accounting Judgements, 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:

(1) 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. 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.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 230	\$ 230
Checking deposits	38,459	24,690
Demand deposits	84,577	64,241
Cash equivalents - Bonds under repurchase agreements	35,807	28,184
	<u>\$ 159,073</u>	<u>\$ 117,345</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 time deposits on December 31, 2024 and 2023 due to guarantees for the performance of contracts were NT\$91,898 and NT\$91,856, respectively, of which 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, 2024</u>	<u>December 31, 2023</u>
Notes receivable	\$ 252,803	\$ 168,487
Notes receivable – related party	5,485	3,895
	<u>\$ 258,288</u>	<u>\$ 172,382</u>
Accounts receivable	\$ 628,938	\$ 624,063
Less: Allowance for loss	(10,535)	(7,144)
Subtotal	618,403	616,919
Accounts receivable - related party	35,328	37,263
	<u>\$ 653,731</u>	<u>\$ 654,182</u>

1. The Company issues the invoice and bill of lading when taking the customer's order, debts 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, 2024 and 2023, the amounts were NT\$92,525 and NT\$112,165.

2. The aging analysis of notes receivable (including related parties) and accounts receivable (including related parties) is as follows:

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not overdue	\$ 652,291	\$ 258,288	\$ 655,697	\$ 172,382
Overdue				
Within 30 days	2,698	-	2,338	-
31-60 days	770	-	130	-
61-90 days	1,970	-	75	-
91 days and more	6,537	-	3,086	-
	<u>\$ 664,266</u>	<u>\$ 258,288</u>	<u>\$ 661,326</u>	<u>\$ 172,382</u>

The aging analysis was based on past due date.

3. The balances of the notes receivable and receivables as of December 31, 2024 and 2023 were incurred by the clients' contracts; also as of January 1, 2023, the balances of the notes receivable and receivables were NT\$150,878 and NT\$639,824, respectively.
4. The Company's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements were NT\$258,288 and NT\$172,382 for notes receivable as of December 31, 2024 and 2023, respectively; the accounts receivable were NT\$653,731 and NT\$654,182 as of December 31, 2024 and 2023, respectively.
5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12(2).

(III) Inventories

	December 31, 2024		
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	\$ 505,512	(\$ 2,478)	\$ 503,034
Work in process	138,575	-	138,575
Finished goods	110,119	(154)	109,965
Merchandise inventory	399	-	399
	<u>\$ 754,605</u>	<u>(\$ 2,632)</u>	<u>\$ 751,973</u>

December 31, 2023			
	Cost	Allowance for valuation losses	Carrying amount
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
	<u>\$ 735,436</u>	<u>(\$ 2,618)</u>	<u>\$ 732,818</u>

The expenses of inventories recognized for the current period are as follows:

	2024	2023
Cost of inventories sold	\$ 4,176,416	\$ 3,607,447
Loss on market value decline of inventory	14	1,646
Unallocated manufacturing costs	5,129	6,840
Revenue from sales of scraps	(5,071)	(8,260)
	<u>\$ 4,176,488</u>	<u>\$ 3,607,673</u>

(IV) Financial assets at fair value through other comprehensive income acquired - non-current

<u>Item</u>	December 31, 2024	December 31, 2023
Non-current items:		
Equity Instrument		
Shares of TWSE listed companies	\$ 555,517	\$ 555,517
Shares of the TPEx listed companies	25,753	24,868
	<u>581,270</u>	<u>580,385</u>
Adjustments for valuation		
Shares of TWSE listed companies	(34,220)	(92,542)
Shares of the TPEx listed companies	(18,080)	(16,725)
	<u>(52,300)</u>	<u>(109,267)</u>
Total	<u>\$ 528,970</u>	<u>\$ 471,118</u>

1. 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\$521,297 and NT\$462,975 as of December 31, 2024 and 2023, 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\$7,673 and NT\$8,143 as of December 31, 2024 and 2023, respectively.
3. TPEx-listed company, OBI Pharma, Inc., increased its capital in cash in November 2024, and the Company subscribed for 13,828 shares in an amount of NT\$885.

4. 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>2024</u>	<u>2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	\$ 56,967	(\$ 5,005)
Dividend incomes recognized in profit and loss	\$ 18,001	\$ 14,400

5. 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\$528,970 and NT\$471,118 as of December 31, 2024 and 2023, respectively.
6. For information on the price 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>December 31, 2024</u>	<u>December 31, 2023</u>
Subsidiary:		
Ruentex Interior Design Inc. (Ruentex Interior Design)	\$ 280,647	\$ 174,927
Associate:		
Teh Hsin Enterprise Co., Ltd. (Teh Hsin)	1,576,964	-
Total	<u>\$ 1,857,611</u>	<u>\$ 174,927</u>

2. Share of the 2024 and 2023 income or loss of subsidiaries accounted for using the equity method and associates is as follows:

	<u>2024</u>	<u>2023</u>
Subsidiary:		
Ruentex Interior Design	\$ 73,124	\$ 52,098
Associate:		
Teh Hsin	12,616	-
Total	<u>\$ 85,740</u>	<u>\$ 52,098</u>

3. Subsidiary

- (1) In order to cooperate with the public underwriting before the initial listing on Taipei Exchange by Ruentex Interior Design, a subsidiary of the Company, the board of directors approved by resolution on March 26, 2024, the cash capital increase by 1,500 thousand shares, with a face value of NT\$10 per share, all of which are ordinary shares. May 17, 2024, was the record date for capital increase, and the registration of the change was completed on June 19, 2024. The Company did not subscribe in proportion to its shareholding, so its shareholding fell to 31.66% and recognized NT\$68,894 in capital surplus - changes in the ownership interests of subsidiaries. For details, please refer to Note 6(28) of the Company's 2024 consolidated financial statements.
- (2) Please refer to Note 4(3) in the 2024 consolidated financial statements for more information on the Company's subsidiaries.

4. Associates

- (1) The basic information of material associates of the Company is as follows:

<u>Company name</u>	<u>Principal Place of Business</u>	<u>Shareholding percentage</u> <u>December 31, 2024</u>	<u>Nature of relationship</u>	<u>Measurement method</u>
Teh Hsin	Taiwan	35%	Diversification	Equity method

- (2) The summary on the consolidated financial information of material associates of the Company is as follows:

Balance Sheets

	<u>Teh Hsin</u> <u>December 31, 2024</u>
Current assets	\$ 1,319,000
Non-current assets	652,051
Current liabilities	(218,577)
Non-current liabilities	(3,561)
Total net assets (Note)	<u>\$ 1,748,913</u>
Portion of the net assets of associates	<u>\$ 1,576,964</u>

Note: The difference from the carrying amount is mainly due to the difference in the fair values of non-current assets.

Statement of Comprehensive Income

	Teh Hsin
	2024
Revenue	\$ 1,310,534
Net income of current period	280,694
Other comprehensive income (Net after tax)	-
Total comprehensive income for this period	\$ 280,694

- (3) On September 20, 2024, the Board of Directors resolved to purchase the equity in Teh Hsin Enterprise Co., Ltd., and the Company signed an equity transaction contract with a non-related party on September 26, 2024 to purchase 14,969,837 shares at NT\$104.5 per share in the amount of NT\$ 1,564,348, with the shareholding of 35%. The relevant procedures for equity transfer were completed on November 15, 2024.
- (4) The Company holds 35% of equity in Teh Hsin as the largest single shareholder of the company. Considering the attendance of shareholders' meetings in the past, it shows that other shareholders actively participate in the business decision-making of Teh Hsin. In addition, the Company holds only three directorships out of nine on the board of directors of Teh Hsin. This shows that the Company has no actual ability to direct the relevant activities of Teh Hsin. Therefore, it is determined that the Company does not have control but only significant influence over it.
- (5) For the status of collateral from the invested stocks using the equity method provided by the Company, please refer to Notes 6(12) and 8.

(VI) Property, plant, and equipment

	2024									
		<u>Buildings and</u>	<u>Machinery and</u>	<u>Transportation</u>	<u>Office</u>		<u>Leasehold</u>	<u>Miscellaneous</u>	<u>Unfinished</u>	
	<u>Land</u>	<u>structures</u>	<u>equipment</u>	<u>equipment</u>	<u>equipment</u>	<u>Leased assets</u>	<u>improvements</u>	<u>equipment</u>	<u>construction</u>	<u>Total</u>
									<u>and equipment</u>	
									<u>pending for</u>	
									<u>inspection</u>	
January 1										
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>
January 1	\$ 1,535,961	\$ 923,239	\$ 958,562	\$ 976	\$ 3,466	\$ -	\$ 680	\$ 31,467	\$ 209,720	\$ 3,664,071
Addition	-	5,359	62,353	-	1,344	-	-	17,787	194,415	281,258
Transfer for current period (Note)	-	17,748	318,498	-	-	-	-	18,298	(352,168)	2,376
Costs of disposal	-	(299)	(101,331)	-	(591)	-	-	(18,261)	-	(120,482)
Disposal of accumulated depreciation	-	258	101,331	-	591	-	-	18,261	-	120,441
Depreciation expense	-	(42,088)	(199,769)	(418)	(1,173)	-	(187)	(9,477)	-	(253,112)
December 31	<u>\$ 1,535,961</u>	<u>\$ 904,217</u>	<u>\$ 1,139,644</u>	<u>\$ 558</u>	<u>\$ 3,637</u>	<u>\$ -</u>	<u>\$ 493</u>	<u>\$ 58,075</u>	<u>\$ 51,967</u>	<u>\$ 3,694,552</u>
December 31										
Cost	\$ 1,535,961	\$ 1,500,468	\$ 2,350,658	\$ 10,584	\$ 7,433	\$ 704	\$ 889	\$ 84,821	\$ 51,967	\$ 5,543,485
Accumulated depreciation	-	(585,920)	(1,155,573)	(10,026)	(3,796)	(704)	(396)	(26,367)	-	(1,782,782)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	-	(379)	-	(66,151)
	<u>\$ 1,535,961</u>	<u>\$ 904,217</u>	<u>\$ 1,139,644</u>	<u>\$ 558</u>	<u>\$ 3,637</u>	<u>\$ -</u>	<u>\$ 493</u>	<u>\$ 58,075</u>	<u>\$ 51,967</u>	<u>\$ 3,694,552</u>

Note: The balance of the transfer amount is the transfer from prepayments for business facilities.

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.

1. Details of the property, plant and equipment pledged to others as collateral are provided in Note 8.
2. 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 between 2020 and 2028. 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 merge, among other forms.
2. The lease period for the employee dormitories, and exhibition center leased by the Company is less than 12 months.
3. Information on the carrying amount of the right-of-use assets and the recognized depreciation expenses is as follows:

	2024			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
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>
January 1	\$ 959	\$ 11,675	\$ 627	\$ 13,261
Addition-Newly added lease contracts	21,454	543	-	21,997
Cost of derecognition	(16,400)	(486)	-	(16,886)
Accumulated depreciation on the de-booking date	16,400	486	-	16,886
Revaluation of lease liabilities	9,846	-	-	9,846
Depreciation expense	(13,429)	(5,209)	(251)	(18,889)
December 31	<u>\$ 18,830</u>	<u>\$ 7,009</u>	<u>\$ 376</u>	<u>\$ 26,215</u>
December 31				
Cost	\$ 22,165	\$ 25,301	\$ 752	\$ 48,218
Accumulated depreciation	(3,335)	(18,292)	(376)	(22,003)
	<u>\$ 18,830</u>	<u>\$ 7,009</u>	<u>\$ 376</u>	<u>\$ 26,215</u>

	2023			
	<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>

4. Lease liabilities related to lease contracts are as the following:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total amount of lease liabilities	\$ 29,125	\$ 19,326
Less: Due within one year (listed as lease liabilities - current)	(16,344)	(12,167)
	<u>\$ 12,781</u>	<u>\$ 7,159</u>

5. Information of income items related to lease contracts are as the following:

	<u>2024</u>	<u>2023</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 258	\$ 166
Expenses of short-term lease contracts	<u>\$ 2,296</u>	<u>\$ 576</u>

6. The total of lease cash flow of the Company in 2024 and 2023 are \$24,598 and \$6,321, respectively.
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 applied to the competent authorities for the renewal of the leases of the ancillary facilities of the mining land, and the process was completed in January 2023. In addition, according to the letter from the Yilan Branch of the Forestry and Conservation Administration, Ministry of Agriculture, in March 2024, the rent of the mining land was calculated based on the approved market value of forest land and included in the ecological damage compensation. The Company re-assessed the said lease liability and recognized right-of-use assets of NT\$9,846 and lease liabilities of NT\$9,846. The above lease contracts expired on June 18, 2024. The Group has applied to the competent authority for the lease renewal to June 18, 2028, and recognized right-of-use assets of NT\$21,454 and lease liabilities of NT\$21,454 as well.

(VIII) Intangible assets

	2024			
	<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	\$ 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>
January 1	\$ 112,410	\$ -	\$ 57,689	\$ 170,099
Addition	-	-	935	935
Amortization expense	-	-	(6,269)	(6,269)
December 31	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 52,355</u>	<u>\$ 164,765</u>
December 31				
Cost	\$ 234,798	\$ 30,000	\$ 112,039	\$ 376,837
Accumulated amortization	(60,416)	(30,000)	(48,444)	(138,860)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 52,355</u>	<u>\$ 164,765</u>

	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 expense	-	-	(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>

Details of amortization of intangible assets are as follows:

	2024	2023
Operation cost	\$ 6,080	\$ 7,820
Operating expenses	189	542
	<u>\$ 6,269</u>	<u>\$ 8,362</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 for the Yilan Lankan Mine Expansion received the Administrative Disposition Jin Shou Wu 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, and an appeal has been filed to the Supreme Administrative Court in March 2024, and the litigation is ongoing.

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 March 12, 2025, the relevant planning is still in progress and the application procedure has not yet been completed.

(IX) Short-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Credit bank loan	\$ 1,200,000	\$ 750,000
Interest rate range	1.90%~1.95%	1.78%~1.83%

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, 2024</u>	<u>December 31, 2023</u>
Guarantee notes	\$ 1,500,000	\$ 1,200,000

(X) Short-term notes and bills payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Commercial papers payable	\$ 410,000	\$ 270,000
Less: Unamortized discount	(178)	(64)
	<u>\$ 409,822</u>	<u>\$ 269,936</u>
Interest rate range	1.62%~1.82%	1.32%~1.61%

The guaranteed bills for the short-term notes and bills quota issued by the Company are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Guarantee notes	<u>\$ 800,000</u>	<u>\$ 650,000</u>

(XI) Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salary and wages payable	\$ 105,877	\$ 86,023
Electricity bill payable	38,683	29,487
Payables on equipment	24,684	13,065
Commodity tax payable	16,353	16,854
Other Payable	34,657	25,735
	<u>\$ 220,254</u>	<u>\$ 171,164</u>

(XII) Long-term borrowings

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate range</u>	<u>Guarantee</u>	<u>December 31, 2024</u>
Long-term bank loan				
Secured loan	From September 1, 2024 to November 1, 2027, monthly payment of interest, re-payment on maturity.	1.865% - 1.90%	Note	\$ 2,480,000
Credit loan	From January 23, 2024 to October 31, 2026, monthly payment of interest, re-payment on maturity.	1.95% - 2.096%	Note	
				<u>950,000</u>
				<u>\$ 3,430,000</u>

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate range</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	
				900,000
				<u>\$ 2,500,000</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, 2024</u>	<u>December 31, 2023</u>
Guarantee notes	<u>\$ 2,880,000</u>	<u>\$ 2,000,000</u>

In November 2024, the Company entered into a credit facility agreement with Bank SinoPac to meet its working capital and investment needs. Facility 1 is a medium-term loan with a credit period from November 2024 to October 2026. Facility 2 is a short-term loan with a credit period from November 2024 to October 2025. Facility 1 and Facility 2 share a combined credit limit of \$400,000. Facility 3 is a medium-term loan with a credit period from November 2024 to October 2027, and a credit limit of \$780,000. The collateral is the Company's investments in stocks using the equity method, which may be pledged within three months of the initial drawdown. The stock pledge was completed in January 2025. As of December 31, 2024, the total borrowed amount from the medium-term loan credit facility was \$1,180,000. The main covenants are as follows:

During the term of this credit agreement, the following financial ratios shall be maintained and reviewed semi-annually. If not achieved, the interest rate will be increased by one basis point:

- a. Current ratio shall not be less than 60%.
- b. Debt ratio shall not exceed 400%.

The aforementioned financial ratios are calculated based on the audited or reviewed consolidated financial statements certified by CPAs.

(XIII) Pensions

- 1.(1) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, which applies to all employed foreign mid-level technical personnel. 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. The Company contributes 2% of the monthly salary to the pension fund, which is deposited in a special account of the Labor Pension Fund Supervisory Committee with the Bank of Taiwan. In addition, the Company would assess 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, the Company will make contributions to cover the deficit by next March.
- (2) In 2024 and 2023, the pension cost recognized by the Company in accordance with the above regulations was NT\$15 and NT\$0, respectively.
2. (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 2024 and 2023, the pension cost recognized by the Company in accordance with the above regulations was NT\$11,997 and NT\$10,741, respectively.

(XIV) Capital

1. The number of outstanding shares of the Company as of December 31, 2024 and 2023 were both 150,000 thousand shares, and the number of shares in 2024 and 2023 remained unchanged.
2. As of December 31, 2024, 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. Regarding capital surplus - changes in the ownership interests of subsidiaries as recognized, please refer to Note 6(5)3.

(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's dividend payout policy is based on the Company Act and the Company's Articles of Incorporation, which allow the Company to consider the financial, business, operational and capital budgeting factors, while taking into account shareholders' interests, balanced dividends, and the Company's long-term financial planning. A distribution plan by the Board shall be submitted to the shareholders' meeting. However, keeping within the available surplus for distribution, the dividends to shareholders shall be no less than 50 percent of the balance amount derived from taking the after-tax profit of the current year less the profit set aside as legal reserve and special reserve, the cash dividend ratio shall not be less than 30 percent of the total dividend distribution for the year.
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.(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 (NTD)
Legal reserve	\$ 3,845	
Special reserve	34,600	
Cash dividends	-	\$ -
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.

6. The Company's earning distribution plan for the year ended December 31, 2023 approved by the shareholders' meeting on May 24, 2024 is as follows:

		2023
	Amount	Dividend per share (NTD)
Legal reserve	\$ 11,476	
Special reserve	5,578	
Cash dividends	97,500	\$ 0.65
Total	<u>\$ 114,554</u>	

7. The Company's earning distribution plan for the year ended December 31, 2024 approved by the board of directors' meeting on March 12, 2025 is as follows:

		2024
	Amount	Dividend per share (NTD)
Legal reserve	\$ 18,786	
Special reserve (reversed)	(7,232)	
Cash dividends	165,000	\$ 1.10
Total	<u>\$ 176,554</u>	

(XVII) Operating revenue

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers:		
Revenue from sales of goods	\$ 4,482,647	\$ 3,829,181
Revenue from construction contracts	90,018	48,029
Other revenue from contracts	<u>101,266</u>	<u>110,791</u>
	<u>\$ 4,673,931</u>	<u>\$ 3,988,001</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>2024</u>	<u>Cement business</u>	<u>Construction materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
Departmental revenue	<u>\$2,184,861</u>	<u>\$2,399,052</u>	<u>\$ 90,018</u>	<u>\$4,673,931</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$2,083,595	\$2,399,052	\$ -	\$4,482,647
Revenue recognized over time	<u>101,266</u>	<u>-</u>	<u>90,018</u>	<u>191,284</u>
	<u>\$2,184,861</u>	<u>\$2,399,052</u>	<u>\$ 90,018</u>	<u>\$4,673,931</u>
<u>2023</u>	<u>Cement business</u>	<u>Construction materials business</u>	<u>Engineering and construction business</u>	<u>Total</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	\$1,941,930	\$1,887,251	\$ -	\$3,829,181
Revenue recognized over time	<u>110,791</u>	<u>-</u>	<u>48,029</u>	<u>158,820</u>
	<u>\$2,052,721</u>	<u>\$1,887,251</u>	<u>\$ 48,029</u>	<u>\$3,988,001</u>

2. As of December 31, 2024 and 2023 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>
2024	2025 - 2026	<u>\$ 100,771</u>
2023	2024 - 2026	<u>\$ 92,339</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, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract asset:			
Contract asset - Retainable \$	4,096	\$ 1,777	\$ 5,147
receivable (including related parties)			
Contract asset - Construction contract (related parties included)	19,434	10,961	6,686
Total	<u>\$ 23,530</u>	<u>\$ 12,738</u>	<u>\$ 11,833</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liability:			
Contract liability - Sales \$	32,533	\$ 23,527	\$ 18,078
contract for goods			
Contract liabilities - Construction contract (related parties included)	7,196	3,686	6,186
Total	<u>\$ 39,729</u>	<u>\$ 27,213</u>	<u>\$ 24,264</u>

4. Contract assets and contract liabilities related to aforementioned contracts recognized as of December 31, 2024 and 2023, and as of January 1, 2023:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Total costs incurred plus profits recognized	\$ 82,848	\$ 41,497	\$ 45,222
Less: Amount requested for progress of works	(70,610)	(34,222)	(44,722)
Status of net assets and liabilities of ongoing contracts	<u>\$ 12,238</u>	<u>\$ 7,275</u>	<u>\$ 500</u>

(XVIII) Operation cost

	<u>2024</u>	<u>2023</u>
Cost of sales of goods	\$ 4,176,488	\$ 3,607,673
Cost of construction contract	59,882	37,223
Other costs from contracts	6,234	7,153
	<u>\$ 4,242,604</u>	<u>\$ 3,652,049</u>

(XIX) Interest revenue

	2024	2023
Interest on cash in banks	\$ 2,117	\$ 2,083

(XX) Other income

	2024	2023
Dividend income	\$ 18,001	\$ 14,400
Rent income	1,116	1,116
Other income	198	4,098
	<u>\$ 19,315</u>	<u>\$ 19,614</u>

(XXI) Other gains and losses

	2024	2023
Net foreign exchange loss	\$ -	(\$ 1,992)
Gain (loss) on foreign currency valuation	88	(49)
Loss on disposal of property, plant and equipment	(41)	-
Others	(825)	(655)
	<u>(\$ 778)</u>	<u>(\$ 2,696)</u>

(XXII) Financial costs

	2024	2023
Interest Cost:		
Bank loan	\$ 68,642	\$ 63,889
Lease liabilities	258	166
	<u>\$ 68,900</u>	<u>\$ 64,055</u>

(XXIII) Additional information of expenses by nature

	<u>2024</u>	<u>2023</u>
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	\$ 2,519,516	\$ 2,210,915
Contract work	116,602	84,539
Employee benefit expense	392,752	341,745
Depreciation expenses for property, plant and equipment	253,112	228,721
Depreciation expenses for right-of-use assets	18,889	7,248
Depreciation and amortization expenses of intangible assets	6,269	8,362
Other expense	<u>1,197,164</u>	<u>990,794</u>
Operating costs and expenses	<u>\$ 4,504,304</u>	<u>\$ 3,872,324</u>

(XXIV) Employee benefit expense

	<u>2024</u>	<u>2023</u>
Wages and salaries	\$ 323,749	\$ 280,148
Labor and Health Insurance costs	28,014	26,099
Pension expense	12,012	10,741
Directors' remuneration	2,916	2,856
Other employment fees	<u>26,061</u>	<u>21,901</u>
	<u>\$ 392,752</u>	<u>\$ 341,745</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, 2024 and 2023, employees' compensation was accrued at \$2,092 and \$1,240, 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, 2024. The employees' compensation resolved by the Board of Directors on March 12, 2025 was NT\$2,092, which will be distributed in the form of cash.
(3) As resolved by the Board of Directors on March 13, 2024, the remuneration to employees for 2023 is consistent with the remuneration to employees of NT\$1,240 recognized in the 2023 financial statements. The 2023 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>2024</u>	<u>2023</u>
Current income tax:		
Income tax occurred in the current period	\$ 20,068	\$ 8,033
Underestimation on income tax for prior years	<u>214</u>	<u>-</u>
Total income tax for current period	<u>20,282</u>	<u>8,033</u>
Deferred income tax:		
Origination and reversal of temporary differences	(694)	(295)
Total deferred income tax	<u>(694)</u>	<u>(295)</u>
Income tax expense	<u>\$ 19,588</u>	<u>\$ 7,738</u>

2. Reconciliation between income tax expense and accounting profit

	<u>2024</u>	<u>2023</u>
Imputed income taxes on pre-tax income at a statutory tax rate	\$ 41,424	\$ 24,544
Expenses to be excluded as stipulated in the tax law	46	115
Income with exemption from tax as stipulated in the tax law	(20,748)	(13,299)
Temporary differences on unrealized deferred income tax assets	-	(541)
Income tax effects of investment tax credits	(1,348)	(3,081)
Underestimation on income tax for prior years	<u>214</u>	<u>-</u>
Income tax expense	<u>\$ 19,588</u>	<u>\$ 7,738</u>

3. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2024		
	January 1	Recognized in profit and loss	December 31
Deferred income tax assets:			
- Temporary differences:			
Allowance for loss on market value decline of inventory	\$ 523	\$ 3	\$ 526
Unrealized sales discounts	3,105	1,635	4,740
Unrealized impairment loss	25,193	(926)	24,267
Subtotal	28,821	712	29,533
Deferred income tax liability:			
- Temporary differences:			
Unrealized foreign exchange gains	(20)	(18)	(38)
Subtotal	(20)	(18)	(38)
Total	\$ 28,801	\$ 694	\$ 29,495

	2023		
	January 1	Recognized in profit and loss	December 31
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
Subtotal	28,536	285	28,821
Deferred income tax liability:			
- Temporary differences:			
Unrealized foreign exchange gains	(30)	10	(20)
Subtotal	(30)	10	(20)
Total	\$ 28,506	\$ 295	\$ 28,801

4. The Company's income tax returns through 2022 have been assessed as approved by the Tax Authority.

(XXVI) Earnings per share

2024			
	<u>After-tax amount</u>	<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings per share</u>			
Net income attributable to common shareholders	\$ 187,533	150,000	\$ 1.25
<u>Diluted earnings per share</u>			
Net income attributable to common shareholders	187,533	150,000	
Impact of potential diluted common shares			
Remuneration to employee	-	92	
Effects of the net income attributable to ordinary shareholders plus potential common stocks	\$ 187,533	150,092	\$ 1.25
2023			
	<u>After-tax amount</u>	<u>Number of shares outstanding (thousand shares) at the end of the period</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings per share</u>			
Net income attributable to common shareholders	\$ 114,983	150,000	\$ 0.77
<u>Diluted earnings per share</u>			
Net income attributable to common shareholders	\$ 114,983	150,000	
Impact of potential diluted common shares			
Remuneration to employee	-	53	
Effects of the net income attributable to ordinary shareholders plus potential common stocks	\$ 114,983	150,053	\$ 0.77

(XXVII) Cash flow supplementary information

1. Investing activities not affecting cash flow:

	<u>2024</u>	<u>2023</u>
Prepayments for business facilities reclassified to property, plant and equipment	\$ <u>2,376</u>	\$ <u>49,910</u>

2. Investing activities paid partially by cash:

	<u>2024</u>	<u>2023</u>
Acquisition of property, plant and equipment	\$ 281,258	\$ 297,902
Add: Payables for equipment at the beginning of the period	13,065	31,937
Less: Payables for equipment at the end of the period	(<u>24,684</u>)	(<u>13,065</u>)
Cash payments for current period	\$ <u>269,639</u>	\$ <u>316,774</u>

(XXVIII) Changes of liabilities from financing activities

2024						
	<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</u>	<u>Non-current liabilities (guarantee deposits received)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 750,000	\$ 269,936	\$ 19,326	\$ 2,500,000	\$ 7,541	\$ 3,546,803
Changes of the financing cash flows	450,000	140,000	(22,044)	930,000	898	1,498,854
Addition-Newly added lease contracts	-	-	21,997	-	-	21,997
Revaluation of lease liabilities	-	-	9,846	-	-	9,846
Other non-cash changes	-	(114)	-	-	-	(114)
December 31	<u>\$ 1,200,000</u>	<u>\$ 409,822</u>	<u>\$ 29,125</u>	<u>\$ 3,430,000</u>	<u>\$ 8,439</u>	<u>\$ 5,077,386</u>

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</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>

VII. Related Party Transactions

(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.	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)
Ruen Yang Construction Co., Ltd. (Ruen Yang Construction)	Fellow subsidiary (A subsidiary of the direct parent company of the Company)
Ruentex Industries Co., Ltd.	Other related parties (an investee recognized using the equity method for the ultimate parent company of the Company)
Nan Shan Life Insurance Co., Ltd.	Other related parties (an investee recognized using the equity method for the ultimate parent company of the Company)
Nan Shan General Insurance Co., Ltd.	Other related parties (a subsidiary of an investee 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.	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 (an investee recognized using the equity method for the ultimate parent company of the Company)

Teh Hsin Enterprise Co., Ltd. (Teh Hsin) (Note 1)	Associate (an investee of the Company using the equity method)
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	Chairperson of the Company
Chen, Hsueh-Hsien (Note 2)	President of the Company
Lee Chih-Hung	Chairman of the Company's direct parent company

Note 1: On November 15, 2024, the Company acquired Teh Hsin's shares with a 35% ownership stake, making Teh Hsin an associate of the Company. Transactions with Teh Hsin are disclosed from this date onwards. For related details, please refer to Note 6(5).

Note 2: Chen, Hsueh-Hsien resigned from the position of President on March 12, 2025. Following this, the Company's Board of Directors resolved to appoint Lin, Yi-Chieh as the new President.

(III) Significant related party transactions and balances

1. Operating revenue

	2024	2023
Sales of goods:		
The ultimate parent company	\$ 31,366	\$ 33,531
The direct parent company	129,305	136,259
Subsidiary	9,191	8,929
Fellow subsidiary	255	2,219
Other related parties	12,006	8,371
Associate	55	-
Contract of construction:		
The ultimate parent company	25,371	15,456
The direct parent company	34,990	15,493
Subsidiary	549	-
Fellow subsidiary	5,744	65
Other related parties	5,656	287
	<u>\$ 254,488</u>	<u>\$ 220,610</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, 2024</u>	<u>December 31, 2023</u>
Notes receivable:		
The direct parent company	\$ 2,413	\$ 3,895
Subsidiary	2,093	-
Other related parties	979	-
	<u>\$ 5,485</u>	<u>\$ 3,895</u>
Accounts receivable:		
The ultimate parent company	\$ 6,889	\$ 6,787
The direct parent company	19,171	28,192
Subsidiary	646	828
Fellow subsidiary	7,060	55
Other related parties	1,505	1,401
Associate	57	-
	<u>\$ 35,328</u>	<u>\$ 37,263</u>

3. Contract assets - retainable receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The direct parent company	\$ 2,247	\$ 1,086
Subsidiary	57	-
	<u>\$ 2,304</u>	<u>\$ 1,086</u>

4. Incomplete work of construction contracting and advance construction receipts

	<u>December 31, 2024</u>		<u>December 31, 2023</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	\$ 58,720	\$ 22,885	\$ 50,637	\$ -
The direct parent company	65,250	30,772	49,981	20,643
Fellow subsidiary	6,623	6,468	-	-
Other related parties	3,660	-	3,293	-
	<u>\$ 134,253</u>	<u>\$ 60,125</u>	<u>\$ 103,911</u>	<u>\$ 20,643</u>

5. Balance of accounts payable from related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes payable:		
The direct parent company	\$ 566	\$ 391
Other related parties	<u>-</u>	<u>330</u>
	<u>\$ 566</u>	<u>\$ 721</u>
Accounts payable:		
The direct parent company	<u>\$ 2,107</u>	<u>\$ 2,058</u>
Other payables (Note):		
The direct parent company	\$ 4	\$ -
Fellow subsidiary	200	200
Other related parties	<u>164</u>	<u>187</u>
	<u>\$ 368</u>	<u>\$ 387</u>

Note: Mainly due to insurance premiums, rents, telephone charges, etc.

6. Property transactions

(1) Acquisition of financial Assets

Please refer to Notes 6(4)3.

(2) Property, plant and equipment acquired

To proceed with the construction of the "Technical Warehouse Expansion Project of Dongshan Plant, Yilan", the Company signed a construction contract with Ruen Yang Construction on March 13, 2024 after the Board of Directors approved the construction. It is expected that the Company will undertake the construction of the new construction project. The total contract price is NT\$8,175, and the user license is expected to be obtained after the inspection. As of December 31, 2024, the payments made for the construction project, totaling \$2,084, have been paid in advance (listed under other non-current assets).

7. Lease transactions - Lessee/rent expenses

Rent expenses of short-term lease contracts

	<u>2024</u>	<u>2023</u>
Fellow subsidiary	<u>\$ 2,057</u>	<u>\$ 343</u>

The Company leases properties for use as a showroom, with rent paid monthly.

8. The Company and the direct parent company signed and entered into an agreement in January 2023 on contract processing. 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, 2024 and 2023, processing expenses of NT\$14,400 was recognized.

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, 2024 and 2023, processing expenses of NT\$7,584 was recognized.
10. Status of endorsements and guarantees provided by related parties to the Company

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
The direct parent company	<u>\$ 88,368</u>	<u>\$ 88,368</u>
Key management personnel	<u>\$ 7,180,000</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 Group 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, 2024, the carrying value of agricultural and animal husbandry land was NT\$84,306 under "Property, plant and equipment."

(IV) Key management compensation information

	<u>2024</u>	<u>2023</u>
Wages and salaries and short-term employee benefits	\$ 30,657	\$ 26,133
Post-employment benefits	<u>560</u>	<u>472</u>
Total	<u>\$ 31,217</u>	<u>\$ 26,605</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, 2024</u>	<u>December 31, 2023</u>	
Property, plant, and equipment	\$ 1,518,993	\$ 1,527,041	Long-term and short-term borrowings and guarantee quota
Other financial assets - non-current (listed as "other non-current assets")	<u>91,898</u>	<u>91,856</u>	Performance bond
	<u>\$ 1,610,891</u>	<u>\$ 1,618,897</u>	

For the status of collaterals provided for investments under equity method of the Company, please refer to Note 6(12)

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Contingencies

Please refer to Note 6(8).

(II) Commitments

Except those described in Note 6(7), (12) and 7, other material commitments are as follows:

1. As of December 31, 2024 and 2023, the total amount of the construction and decoration contracts entered into by the Company for construction projects was NT\$43,637 and NT\$34,021, respectively. Amounts of NT\$25,117 and NT\$15,018, respectively, 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 Company but not yet used are USD 139 thousand and EUR 106 thousand, respectively.

X. Significant Disaster Loss

None.

XI. Significant Subsequent Events

Except described in Notes 6(12), (16), (24), and Note 7(2), there is no other subsequent event.

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 2024 remains the same as that for 2023. As of December 31, 2024 and 2023, the debt to total assets ratio was as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total borrowings	\$ 5,040,000	\$ 3,520,000
Less: Cash and cash equivalents	(159,073)	(117,345)
Net debt	4,880,927	3,402,655
Total equity	<u>2,503,561</u>	<u>2,281,215</u>
Total capital	<u>\$ 7,384,488</u>	<u>\$ 5,683,870</u>
Debt-to-total-capital ratio	66.10%	59.87%

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 159,073	\$ 117,345
Notes receivable (including related parties)	258,288	172,382
Accounts receivable (including related parties)	653,731	654,182
Refundable deposits (listed as other non-current assets)	21,444	21,493
Other financial assets (listed as Other Non-current Assets)	91,898	91,856
Financial Assets at fair value through other comprehensive income acquired		
Equity instrument investments by the option to designate	<u>528,970</u>	<u>471,118</u>
	<u>\$ 1,713,404</u>	<u>\$ 1,528,376</u>

December 31, 2024 December 31, 2023

Financial liability

Financial liabilities are carried at amortized cost

Short-term borrowings	\$ 1,200,000	\$ 750,000
Short-term notes and bills payable	409,822	269,936
Notes payable (including related parties)	124,165	96,068
Accounts payable (including related parties)	297,349	216,460
Other payables (including related parties)	220,622	171,551
Long-term borrowings	3,430,000	2,500,000
Guarantee deposits received (listed as other non-current liabilities)	8,439	7,541
	<u>\$ 5,690,397</u>	<u>\$ 4,011,556</u>
Lease liabilities - current and non-current	<u>\$ 29,125</u>	<u>\$ 19,326</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) The 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, 2024					
<u>Sensitivity analysis</u>					
(Foreign currency: Functional currency)	<u>Foreign currency amount (thousands)</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	\$ 17	32.79	\$ 557	1%	\$ 6
Financial liabilities - Monetary items					
USD:NTD	52	32.79	1,705	1%	17
EUR:NTD	2	34.14	68	1%	1
JPY:NTD	409	0.2099	86	1%	1

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

C. Foreign exchange risk has significant impact on the Company, and all recognized foreign exchange gains or losses (including realized and unrealized) on monetary items were gain of NT\$88 and loss of NT\$2,041 for the years ended December 31, 2024 and 2023, 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 were 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, 2024 and 2023 would have increased/decreased by NT\$5,290 and NT\$4,711, respectively.

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 2024 and 2023, 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, 2024 and 2023 would have increased/decreased NT\$3,704 and NT\$2,600, 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, 2024 and 2023, the loss rate methodology is as follows:

	Group 1	Group 2	Total
<u>December 31, 2024</u>			
Expected loss	0.01~0.03%	0.63~100%	
Total carrying amount	\$ 378,756	\$ 309,040	\$ 687,796
Allowance for losses	\$ 97	\$ 10,438	\$ 10,535
	Group 1	Group 2	Total
<u>December 31, 2023</u>			
Expected loss	0.02~0.03%	0.52%~100%	
Total carrying amount	\$ 358,750	\$ 315,314	\$ 674,064
Allowance for losses	\$ 92	\$ 7,052	\$ 7,144

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>2024</u>	<u>2023</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 7,144	\$ 3,527
Provision of impairment loss	<u>3,391</u>	<u>3,617</u>
December 31	<u>\$ 10,535</u>	<u>\$ 7,144</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 a saving deposit with interest, time deposit, or equivalent cash - repurchase agreements, 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, 2024</u>	<u>December 31, 2023</u>
Due within one year	\$ 965,350	\$ 580,000
Due longer than one year	<u>700,000</u>	<u>1,067,185</u>
	<u>\$ 1,665,350</u>	<u>\$ 1,647,185</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:

Non-derivative financial liabilities:

December 31, 2024	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 1,200,000	\$ -	\$ -
Short-term notes and bills payable (Note)	410,000	-	-
Notes payable (including related parties)	123,451	714	-
Accounts payable (including related parties)	294,673	1,031	1,645
Other payables (including related parties)	179,177	30,559	10,886
Lease liabilities - current (Note)	6,915	9,774	-
Long-term borrowings (Note)	16,364	49,091	3,489,962
Lease liabilities - non-current (Note)	-	-	12,985
Guarantee deposits received (listed as other non-current liabilities)	-	-	8,439

Note: The amount includes the expected interest to be paid in the future.

Non-derivative financial liabilities:

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.

(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, 2024	<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>\$ 528,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 528,970</u>
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>

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, 2024 and 2023, 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. Acquisition or sale of the same security with the accumulated cost exceeding NT\$300 million or 20% of the Company's paid-in capital: Please refer to Table 2.
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 3.
8. Accounts receivable from related parties of at least NT\$100 million or 20% of the paid-in capital: None.
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 2024.

(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, 2024

Attached Table 1

Unit: NT\$ thousand

(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>Remark (Note 4)</u>
				<u>Number of shares</u>	<u>Carrying amount (Note 3)</u>	<u>Shareholding percentage</u>	<u>Fair value</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	\$521,297	0.65	\$ 521,297	
	Shares of OBI Pharma, Inc.	Substantive related party of the Company	Financial assets at fair value through other comprehensive income - non-current	131,165	7,673	0.05	7,673	
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	188,129	0.24	188,129	

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.

Accumulated buying and selling securities under re-purchase/re-sale conditions amounting to NT\$300 million or more than 20% of the paid-in capital

January 1 to December 31, 2024

Attached Table 2

Unit: NT\$ thousand

(Except as Otherwise Indicated)

<u>Buying/selling company</u>	<u>Type and name of the securities (Note 1)</u>	<u>Account recognized</u>	<u>Counterparty (Note 2)</u>	<u>Relations (Note 2)</u>	<u>Beginning of the period</u>		<u>Buy (Notes 3 and 5)</u>		<u>Selling (Note 3)</u>				<u>End of the period</u>	
					<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Price</u>	<u>Book cost</u>	<u>Gain(loss) on disposal</u>	<u>Shares</u>	<u>Amount</u>
Ruentex Materials Co., Ltd.	Shares of Teh Hsin Enterprise Co., Ltd.	Investments accounted for using equity method	Non-related parties	-	-	\$ -	14,969,837	\$ 1,576,964	-	\$ -	\$ -	\$ -	14,969,837	\$ 1,576,964

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above.

Note 2: The two columns must be filled in for the investors who account for securities using the equity method. (not required if not applicable)

Note 3: The accumulated amount of buying and selling should be calculated separately at market prices to determine whether they are up to NT\$300 million or more than 20% of the paid-in capital.

Note 4: 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 5: On September 20, 2024, the Company's Board of Directors resolved to purchase shares of Teh Hsin Enterprise Co., Ltd., with a total purchase price of NT\$1,564,348, and recognized investment income of NT\$12,616.

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, 2024

Attached Table 3

Unit: NT\$ thousand

(Except as Otherwise Indicated)

Transaction conditions							Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)		Notes receivable/payable and accounts receivable/payable		Remark (Note 2)
The company making the purchase (sale) of goods		Name of counterparty	Relationship	Purchase (sale) of goods	Amount	As a percentage of total purchases (sales) of goods (Note 4)	Credit period	Unit price	Credit period	Balance	As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)
Ruentex Materials Co., Ltd.		Ruentex Engineering & Construction Co., Ltd.	Direct parent company of the Company	Revenue from project solicitation and sales	\$ 164,295	3.52	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	\$ 21,584	2.37
Ruentex Interior Design Inc.		Ruentex Development Co., Ltd.	Ultimate parent company of the Company	Revenue from project solicitation, service income, and sales	549,979	27.43	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	77,041	41.42
Ruentex Interior Design Inc.		Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	Project solicitation	378,865	18.89	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	-	-

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, 2024

Attached Table 4

Unit: NT\$ thousand

Name of the investing company	Type and name of the securities	Location	Main business items	Original investment amount		Holding at the end of period			Current profit and loss of the investee company	Gains and losses on investment	Notes
				End of the current period	End of last year	Shares	Percentage	Carrying amount		recognized for the current period	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Interior design	\$ 126,721	\$ 126,721	4,750,000	31.66	\$ 280,647	\$ 224,005	\$ 73,124	Subsidiary
Ruentex Materials Co., Ltd.	Teh Hsin Enterprise Co., Ltd.	Taiwan	Building Materials	1,564,348	-	14,969,837	35.00	1,576,964	280,694	12,616	Associate

Ruentex Materials Co., Ltd.

Information on main investors

December 31, 2024

Attached Table 5

Unit: Shares

<u>Name of Major Shareholders</u>	<u>Shares</u>	
	<u>Number of shares held</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	8,701,000	5.80%

Ruentex Materials Co., Ltd.
Statement of cash and cash equivalents
December 31, 2024

Statement 1

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Petty cash and cash on hand		\$ 230
Bank deposits		
- Checking deposits		38,459
- Demand deposits	including USD 17,035.88, exchange rate 32.79	
	EUR 7.52, exchange rate 34.14	84,577
Cash equivalents - Bonds under repurchase agreements	Maturity before January 3, 2025, interest rate 0.77%	35,807
		<u>\$ 159,073</u>

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Ruentex Materials Co., Ltd.
Statement of bills receivable
December 31, 2024

Statement 2

Unit: NT\$ thousand

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Customer A		\$ 57,271	
Customer B		17,592	
Customer C		12,816	
Other sporadic customers			The balance of each sporadic customer has not exceed 5% or more of the account title
		<u>165,124</u>	
		<u>\$ 252,803</u>	

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Ruentex Materials Co., Ltd.
Statement of accounts receivable
December 31, 2024

Statement 3

Unit: NT\$ thousand

<u>Customer name</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Customer D		\$ 135,360	
Other sporadic customers			The balance of each sporadic customer has not exceed 5% or more of the account title
		<u>493,578</u>	
		628,938	
Less: Allowance for bad debt	(<u>10,535)</u>	
		<u>\$ 618,403</u>	

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Ruentex Materials Co., Ltd.
Statement of Inventories
December 31, 2024

Statement 4

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>		<u>Remarks</u>
		<u>Cost</u>	<u>Net realizable value</u>	
Raw materials and supplies		\$ 505,512	\$ 520,429	Based on net realizable value Valuation
Work in process		138,575	143,284	
Finished goods		110,119	120,264	
Merchandise inventory		399	472	
		754,605		
			<u>\$ 784,449</u>	
Less: Allowance for loss on market value decline of inventory		<u>(2,632)</u>		
Net Amount		<u>\$ 751,973</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 to December 31, 2024

Statement 5

Unit: NT\$ thousand

Name	Beginning of Period		Increased in the current period		Decreased in the current period					End of Period		Provided as a guarantee or hedge	Remarks
	Number of shares	Fair value	Number of shares	Amount	Number of shares	Disposal proceeds	Costs of disposal	Disposal profit (loss)	Adjustment change to unrealized valuation gains and loss from financial products	Number of shares	Fair value		
Ruentex Industries Ltd.	7,200,236	\$ 462,975	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	58,322	7,200,236	\$521,297	None
OBI Pharma, Inc.	117,337	8,143	13,828	885	-	-	-	-	(1,355)		131,165	7,673	None
		\$ 471,118		\$ 885		\$ -	\$ -	\$ -	\$ 56,967			\$528,970	

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Ruentex Materials Co., Ltd.
Statement of changes in investments accounted for using the equity method
January 1 to December 31, 2024

Statement 6

Unit: NT\$ thousand

Name	<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 or net value of equity</u>		<u>Guarantee or pledge</u>	<u>Notes</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u> <u>(Notes 1 and 2)</u>	<u>Shares</u>	<u>Amount (Note 3)</u>	<u>Shares</u>	<u>Shareholding</u> <u>percentage</u>	<u>Amount</u>	<u>Unit price (NT\$)</u>	<u>Total amount</u>		
Ruentex Interior Design Inc.	4,750,000	\$ 174,927	-	\$ 148,470	-	(\$ 42,750)	4,750,000	31.66%	\$ 280,647	\$ 234.00	\$ 1,111,500	None	
Teh Hsin Enterprise Co., Ltd.	-	-	14,969,837	1,576,964	-	-	14,969,837	35.00%	1,576,964	40.89	612,133	Notes 4	
Total		\$ 174,927		\$ 1,725,434		(\$ 42,750)			\$1,857,611				

Note 1: Including the shares of profit or loss of subsidiaries recognized using the equity method at \$73,124, recognized fair value changes of other comprehensive income at \$6,122, changes in ownership interests in subsidiaries at \$68,894, and actuarial gain or loss on defined benefits at \$330.

Note 2: It includes investments accounted for using the equity method of \$1,564,348 and the share of profits and losses of associates recognized under the equity method of \$12,616.

Note 3: Including the cash dividends of \$42,750 received in the current period.

Note 4: For information on the provision of shares accounted for using the equity method as collateral, please refer to Note 6(12).

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Ruentex Materials Co., Ltd.
Statement of short-term borrowings
December 31, 2024

Statement 7

Unit: NT\$ thousand

<u>Types of borrowing</u>	<u>Ending balance</u>	<u>Time-limit for contract</u>	<u>Interest rate range</u>	<u>Loan limit</u>	<u>Mortgage or guarantee</u>	<u>Remarks</u>
Credit loan						
First Bank	\$ 350,000	2024.09.23~2025.09.23	1.905%	\$ 600,000	Guaranteed notes \$600,000	
Bank of Taiwan	400,000	2024.04.22~2025.04.22	1.90%	400,000	Guaranteed notes \$400,000	
Land Bank of Taiwan	150,000	2024.02.21~2025.02.21	1.93%	200,000	Guaranteed notes \$200,000	
Far Eastern International Bank Co., Ltd.	<u>300,000</u>	2024.09.27~2025.09.27	1.95%	300,000	Guaranteed notes \$300,000	
	<u>\$ 1,200,000</u>					

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Ruentex Materials Co., Ltd.
Statement of short-term notes and bills payable
December 31, 2024

Statement 8

Unit: NT\$ thousand

<u>Item</u>	<u>Guarantee or acceptance institution</u>	<u>Time-limit for contract</u>	<u>Interest rate range</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	Mega Bills	2024.08.28~2025.08.27	1.82%	\$ 200,000	(\$ 140)	\$ 199,860	Guaranteed notes \$200,000	
Commercial papers payable	Dah Chung Bills	2024.11.18~2025.11.17	1.74%	60,000	(23)	59,977	Guaranteed notes \$100,000	
Commercial papers payable	Ta Ching Finance Corporation	2024.11.19~2025.11.19	1.62%	100,000	(4)	99,996	Guaranteed notes \$100,000	
Commercial papers payable	Taiwan Finance Corporation	2024.07.06~2025.07.05	1.65%	50,000	(11)	49,989	Guaranteed notes \$50,000	
				<u>\$ 410,000</u>	<u>(\$ 178)</u>	<u>\$ 409,822</u>		

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Ruentex Materials Co., Ltd.
Statement of long-term borrowings
December 31, 2024

Statement 9

Unit: NT\$ thousand

<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>Notes</u>
Chang Hwa Bank	Secured loan	\$ 1,700,000	2024.09.01~2026.08.31	1.865%	Secured loan using property, plant and equipment	One-off payment upon maturity
Bank SinoPac	Secured loan	780,000	2024.11.01~2027.11.01	1.90%	Guaranteed notes \$780,000 and stock (Note)	One-off payment upon maturity
Bank SinoPac	Credit loan	400,000	2024.11.01~2026.10.31	1.975%	Guaranteed notes \$400,000	One-off payment upon maturity
KGI Bank	Credit loan	200,000	2024.01.23~2026.01.23	2.096%	Guaranteed notes \$300,000	One-off payment upon maturity
Hua Nan Commercial Bank	Credit loan	150,000	2024.12.27~2026.06.27	1.95%	Guaranteed notes \$300,000	One-off payment upon maturity
The Export-Import Bank of the Republic of China	Credit loan	<u>200,000</u>	2024.10.22~2026.10.22	1.956%	Guaranteed notes \$200,000	One-off payment upon maturity
Total		<u>\$ 3,430,000</u>				

Note: For information on the provision of shares accounted for using the equity method as collateral, please refer to Note 6(12).

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Ruentex Materials Co., Ltd.
Statement of operating revenue
January 1 to December 31, 2024

Statement 10

Unit: NT\$ thousand

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>	<u>Remarks</u>
Sales revenue			
Cement	739 thousand tons	\$ 2,085,689	
RT.MIX building materials	657 thousand tons	2,429,751	
Ground granulated blast furnace slag	2 thousand tons	4,249	
Lightweight Microspheres	-	84	
Total sales revenue		4,519,773	
Sales returns		(2,866)	
Sales discounts		(34,260)	
Net sales revenue		4,482,647	
Construction contract revenue		90,018	
Other revenue from contracts		101,266	
Net amount of operating revenue		<u>\$ 4,673,931</u>	

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Ruentex Materials Co., Ltd.
Statement of operating costs
January 1 to December 31, 2024

Statement 11

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>	<u>Remarks</u>
Operation cost		
Cost of sales for externally purchased products		
Beginning inventory	\$ 7,325	
Add: Purchases for current period	20,814	
Less: Ending inventory	(399)	
Total cost of purchases and sales	<u>27,740</u>	
Manufacturing business costs		
Direct materials and supplies		
Beginning inventory	469,135	
Add: Materials purchased in the current period	2,710,031	
Less: Ending inventory	(505,512)	
Less: Transferred to production overheads	(192,160)	
Direct materials and supplies consumption	2,481,494	
Direct labor (Note 1)	140,902	
Production overheads	<u>1,047,129</u>	
Manufacturing cost	3,669,525	
Add: Beginning inventory of work-in-process	164,837	
Less: Ending inventory of work-in-process	(138,575)	
Finished goods cost	3,695,787	
Add: Beginning inventory of finished goods	94,139	
Less: Ending inventory of finished goods	(110,119)	
Add: Taxes, transportation, etc. costs (Note 2)	473,998	
Less: Revenue from sales of scraps	(5,071)	
Sub-total of production cost	4,148,734	
Loss on market value decline of inventory	<u>14</u>	
Total of production costs	<u>4,148,748</u>	
Total cost of sales	4,176,488	
Construction cost	59,882	
Other costs from contracts	<u>6,234</u>	
Total operation costs	<u>\$ 4,242,604</u>	

Note 1: Including wages and salaries at \$85,537.

Note 2: Including unamortized production expenses at \$5,129.

Ruentex Materials Co., Ltd.
Statement of production overheads
January 1 to December 31, 2024

Statement 12

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Utilities expense		\$ 341,747	
Depreciation expense		259,612	
Packaging expenses		223,912	
Wages and salaries		104,011	
Repairs and maintenance expenses		108,782	
Other overheads (Note)		<u>9,065</u>	
		<u>\$ 1,047,129</u>	

Note: Including amortized expenses at \$951.

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Ruentex Materials Co., Ltd.
Statement of selling expenses
January 1 to December 31, 2024

Statement 13

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Wages and salaries		\$ 57,956	
Depreciation expense		3,895	
Other overheads (Note)		37,445	
		<u>\$ 99,296</u>	

Note: Including amortized expenses at \$20.

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Ruentex Materials Co., Ltd.
Statement of administrative expenses
January 1 to December 31, 2024

Statement 14

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Wages and salaries		\$ 43,918	
Depreciation expense		3,558	
Other overheads (Note)		52,595	
		<u>\$ 100,071</u>	

Note: Including amortized expenses at \$169.

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Ruentex Materials Co., Ltd.
Statement of research and development (R&D) expenses
January 1 to December 31, 2024

Statement 15

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Wages and salaries		\$ 32,327	
Depreciation expense		4,936	
Repairs and maintenance expenses		4,058	
Other expense		17,621	
		<u>\$ 58,942</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 to December 31, 2024

Statement 16

Unit: NT\$ thousand

Nature \ Function	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Wages and salaries	\$ 189,548	\$ 134,201	\$ 323,749	\$ 166,752	\$ 113,396	\$ 280,148
Labor and Health Insurance costs	17,945	10,069	28,014	16,526	9,573	26,099
Pension expense	7,104	4,908	12,012	6,315	4,426	10,741
Directors' remuneration	-	2,916	2,916	-	2,856	2,856
Other employee benefit expense	15,277	10,784	26,061	12,167	9,734	21,901
Depreciation expenses (including of right-of-use assets)	259,612	12,389	272,001	224,074	11,895	235,969
Amortization expense	6,080	189	6,269	7,820	542	8,362

Note:

- The employees of the current year and the previous year are 377 and 360 persons, respectively, and the directors not concurring employees are eight.
- Shall the shares of the company listed and traded in TWSE or TPEx, the following information shall be disclosed:
 - The average employees' benefit expenses of the year was NT\$1,056 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\$963 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).
 - The average employees' salary expenses of the year was NT\$877 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\$796 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).
 - The average adjustment to employees' salary expenses was 10.18% (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 to December 31, 2024

Statement 16

Unit: NT\$ thousand

(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.