

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Financial Statements for the Three
Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report
(Stock Code: 8463)

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Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Financial Statements for the Three Months Ended March 31, 2024 and
2023 and Independent Auditors' Review Report
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Independent Auditors' Review Report

(2024) Cai-Shen-Bao-Zi No. 24000284

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

Introduction

We have reviewed the consolidated balance sheets of Ruentex Materials Co., Ltd. and its subsidiaries (hereinafter referred to as "the Group") for March 31, 2024 and 2023, the consolidated comprehensive income statements, equity statements and cash flow statements for the period from January 1 to March 31, 2024 and 2023, and the notes to the consolidated financial report (including a summary of significant accounting policies). It is the responsibility of the management to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission. It is our responsibility to draw a conclusion on the consolidated financial statements based on the review results.

Scope of Review

We conducted the review in accordance with the R.O.C. Standards on Review Engagements 2410 "Reviews of Financial Statements." The procedures executed in reviewing the consolidated financial statements include inquiry (mainly with the person in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is significantly smaller than the scope of an audit. We therefore are unable to express an audit opinion since we may not be able to identify all the significant matters that can be identified by an audit.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, as well as its consolidated financial performance and its consolidated cash flows for the period from January 1 to March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

May 13, 2024

Ruentex Materials Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
March 31, 2024 and December 31 and March 31, 2023

Unit: NT\$ thousands

Assets	Notes	March 31, 2024		December 31, 2023		March 31, 2023		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 596,231	8	\$ 300,262	4	\$ 439,076	6
1136	Financial assets measured by amortized cost - current		-	-	-	-	75,360	1
1140	Contract asset - current	6(16) and 7	416,873	6	377,737	5	419,826	6
1150	Net notes receivable	6(2)	150,227	2	168,487	2	129,259	2
1160	Notes receivable - related parties - net	6(2) and 7	438	-	5,503	-	5,512	-
1170	Net accounts receivable	6(2)	625,973	9	869,557	12	586,848	8
1180	Accounts receivable - related parties - net	6(2) and 7	155,037	2	248,002	3	78,745	1
1200	Other receivables		3,365	-	4,286	-	793	-
1220	Current tax assets		87	-	87	-	6,116	-
130X	Inventories	6(3)	707,760	10	732,818	10	715,645	10
1410	Prepayments		38,778	-	37,708	1	29,335	-
1470	Other current assets	6(1) and 8	8,819	-	16,966	-	29,501	1
11XX	Total current assets		<u>2,703,588</u>	<u>37</u>	<u>2,761,413</u>	<u>37</u>	<u>2,516,016</u>	<u>35</u>
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(4)	589,399	8	638,199	9	563,178	8
1600	Property, plant, and equipment	6(5), 7 and 8	3,664,280	50	3,671,253	50	3,615,945	51
1755	Right-of-use assets	6(6)	28,894	-	31,851	-	39,985	1
1780	Intangible Assets	6(7)	168,907	2	170,274	2	171,162	2
1840	Deferred tax Assets		32,130	1	32,286	-	33,435	1
1900	Other non-current Assets	6(1) and 8	116,562	2	116,346	2	146,727	2
15XX	Total non-current assets		<u>4,600,172</u>	<u>63</u>	<u>4,660,209</u>	<u>63</u>	<u>4,570,432</u>	<u>65</u>
1XXX	Total Assets		<u>\$ 7,303,760</u>	<u>100</u>	<u>\$ 7,421,622</u>	<u>100</u>	<u>\$ 7,086,448</u>	<u>100</u>

(Continued)

Ruentex Materials Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
March 31, 2024 and December 31 and March 31, 2023

Unit: NT\$ thousands

Liabilities and Equity	Notes	March 31, 2024		December 31, 2023		March 31, 2023		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6(8) and 8	\$ 400,000	6	\$ 750,000	10	\$ 800,000	11
2110	Short-term notes and bills payable	6(9)	319,983	4	269,936	4	99,982	2
2130	Contract liabilities - current	6(16) and 7	29,220	-	50,352	1	9,999	-
2150	Notes payable		166,167	2	136,577	2	86,209	1
2160	Notes payable - related party	7	1,437	-	721	-	664	-
2170	Accounts payable		717,225	10	740,487	10	620,853	9
2180	Accounts payable - related party	7	4,637	-	2,058	-	1,962	-
2200	Other payables	6(10)	173,424	2	239,815	3	161,759	2
2220	Other payable - related party	7	838	-	618	-	392	-
2230	Income tax liabilities of current period		64,375	1	43,489	-	29,188	1
2280	Lease liabilities - current	6(6)	29,997	1	20,174	-	18,460	-
2320	Long-term liabilities due within one year or one operating cycle	6(11) and 8	-	-	-	-	150,000	2
2399	Other current liabilities - other		4,443	-	4,481	-	5,044	-
21XX	Total current liabilities		<u>1,911,746</u>	<u>26</u>	<u>2,258,708</u>	<u>30</u>	<u>1,984,512</u>	<u>28</u>
Non-current liabilities								
2540	Long-term borrowings	6(11) and 8	2,700,000	37	2,500,000	34	2,600,000	37
2570	Deferred tax liabilities		2,114	-	3,436	-	1,317	-
2580	Lease liabilities - non-current	6(6)	14,641	-	17,973	-	26,588	-
2600	Other non-current liabilities		34,960	1	38,056	1	37,168	1
25XX	Total non-current liabilities		<u>2,751,715</u>	<u>38</u>	<u>2,559,465</u>	<u>35</u>	<u>2,665,073</u>	<u>38</u>
2XXX	Total Liabilities		<u>4,663,461</u>	<u>64</u>	<u>4,818,173</u>	<u>65</u>	<u>4,649,585</u>	<u>66</u>
Equity								
Equity attributed to owners of the parent								
Capital								
3110	Share capital	6(13)	1,500,000	20	1,500,000	20	1,500,000	21
Capital surplus								
3200	Capital surplus	6(14)	677,124	9	677,124	9	711,624	10
Retained earnings								
3310	Legal reserve	6(15)	50,770	1	50,770	1	46,925	1
3320	Special reserve		50,317	1	50,317	1	15,717	-
3350	Undistributed earnings		171,402	2	114,756	2	42,670	1
Other equities								
3400	Other equities		(151,830)	(2)	(111,752)	(2)	(172,889)	(3)
31XX	Total equity attributable to owners of parent		<u>2,297,783</u>	<u>31</u>	<u>2,281,215</u>	<u>31</u>	<u>2,144,047</u>	<u>30</u>
36XX	Non-controlling interest	4(3)	<u>342,516</u>	<u>5</u>	<u>322,234</u>	<u>4</u>	<u>292,816</u>	<u>4</u>
3XXX	Total Equity		<u>2,640,299</u>	<u>36</u>	<u>2,603,449</u>	<u>35</u>	<u>2,436,863</u>	<u>34</u>
Significant contingent liabilities and unrecognized commitments								
Significant subsequent events								
3X2X	Total Liabilities and Equity		<u>\$ 7,303,760</u>	<u>100</u>	<u>\$ 7,421,622</u>	<u>100</u>	<u>\$ 7,086,448</u>	<u>100</u>

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

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to March 31, 2024 and 2023

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

	Item	Notes	January 1 to March 31, 2024		January 1 to March 31, 2023	
			Amount	%	Amount	%
4000	Operation Income	6(16) and 7	\$ 1,518,948	100	\$ 1,165,820	100
5000	Operation Cost	6(3)(7) (12)(17) (22) (23) and 7	(1,306,047)	(86)	(1,069,015)	(92)
5900	Gross Profit		<u>212,901</u>	<u>14</u>	<u>96,805</u>	<u>8</u>
	Operating Expenses	6(7)(12) (22) (23) and 7				
6100	Selling expenses		(29,633)	(2)	(21,284)	(2)
6200	General & administrative expenses		(51,680)	(3)	(34,243)	(3)
6300	R&D expenses		(13,180)	(1)	(7,834)	-
6450	Expected credit impairment gains (losses)	12(2)	1,258	-	(439)	-
6000	Total Operating Expenses		(93,235)	(6)	(63,800)	(5)
6900	Operating Profit		<u>119,666</u>	<u>8</u>	<u>33,005</u>	<u>3</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(18)	955	-	904	-
7010	Other income	6(19)	313	-	4,097	-
7020	Other gains and losses	6(20)	(84)	-	(2,136)	-
7050	Financial costs	6(21)	(15,419)	(1)	(16,346)	(1)
7000	Total non-operating income and expenses		(14,235)	(1)	(13,481)	(1)
7900	Net profit before tax		105,431	7	19,524	2
7950	Income tax expense	6(24)	(21,116)	(2)	(3,031)	-
8200	Net income of current period		<u>\$ 84,315</u>	<u>5</u>	<u>\$ 16,493</u>	<u>2</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)	(\$ 48,800)	(3)	(\$ 81,845)	(7)
8349	Income tax relating to non-reclassified items	6(24)	1,335	-	2,315	-
8310	Total of items not to be reclassified into profit or loss		(47,465)	(3)	(79,530)	(7)
8500	Total comprehensive income (loss) for this period		<u>\$ 36,850</u>	<u>2</u>	<u>(\$ 63,037)</u>	<u>(5)</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 56,646	3	\$ 4,225	1
8620	Non-controlling Interest		\$ 27,669	2	\$ 12,268	1
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent		\$ 16,568	1	(\$ 62,490)	(5)
8720	Non-controlling Interest		\$ 20,282	1	(\$ 547)	-
	Earnings per share	6(25)				
9750	Basic earnings per share		\$ 0.38		\$ 0.03	
9850	Diluted earnings per share		\$ 0.38		\$ 0.03	

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

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and Subsidiaries
Consolidated statement of changes in Equity
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

Notes	Equity attributed to owners of the parent										
	Share capital	Capital surplus			Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired	Total	Non-controlling Interest	Total Equity
		Issued at premium	Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Legal reserve	Special reserve	Undistributed earnings				
<u>January 1 to March 31, 2023</u>											
Balance on January 1, 2023	\$ 1,500,000	\$ 656,157	\$ 15,076	\$ 40,391	\$ 46,925	\$ 15,717	\$ 38,445	(\$ 106,174)	\$ 2,206,537	\$ 293,363	\$ 2,499,900
Net income of current period	-	-	-	-	-	-	4,225	-	4,225	12,268	16,493
Other comprehensive income	-	-	-	-	-	-	-	(66,715)	(66,715)	(12,815)	(79,530)
Total comprehensive income for this period	-	-	-	-	-	-	4,225	(66,715)	(62,490)	(547)	(63,037)
Balance on March 31, 2023	<u>\$ 1,500,000</u>	<u>\$ 656,157</u>	<u>\$ 15,076</u>	<u>\$ 40,391</u>	<u>\$ 46,925</u>	<u>\$ 15,717</u>	<u>\$ 42,670</u>	<u>(\$ 172,889)</u>	<u>\$ 2,144,047</u>	<u>\$ 292,816</u>	<u>\$ 2,436,863</u>
<u>January 1 to March 31, 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	\$ 322,234	\$ 2,603,449
Net income of current period	-	-	-	-	-	-	56,646	-	56,646	27,669	84,315
Other comprehensive income	-	-	-	-	-	-	-	(40,078)	(40,078)	(7,387)	(47,465)
Total comprehensive income for this period	-	-	-	-	-	-	56,646	(40,078)	16,568	20,282	36,850
Balance on March 31, 2024	<u>\$ 1,500,000</u>	<u>\$ 621,657</u>	<u>\$ 15,076</u>	<u>\$ 40,391</u>	<u>\$ 50,770</u>	<u>\$ 50,317</u>	<u>\$ 171,402</u>	<u>(\$ 151,830)</u>	<u>\$ 2,297,783</u>	<u>\$ 342,516</u>	<u>\$ 2,640,299</u>

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

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	January 1 to March 3 1 , 2 0 2 4	January 1 to March 3 1 , 2 0 2 3
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 105,431	\$ 19,524
Adjustments			
Income and expenses with no cash flow effects			
Depreciation expense	6(5)(6)		
	(22)	73,127	58,031
Depreciation and amortization expenses	6(7)(22)	2,053	2,148
Expected credit impairment (incomes) losses	12(2)	(1,258)	439
Interest Cost	6(21)	15,419	16,346
Interest revenue	6(18)	(955)	(904)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contract asset - current		(39,136)	(7,153)
Notes receivable		18,260	33,045
Bills receivable - related parties		5,065	(5,110)
Accounts receivable		244,842	90,801
Account Receivable - Related Party		92,965	(208)
Other receivables		1,264	(216)
Inventories		25,058	(12,327)
Prepayments		(1,070)	(6,960)
Other Current Assets		1	1
Net change in liabilities related to operating activities			
Contract liabilities		(21,132)	(22,722)
Notes payable		29,590	(17,918)
Notes payable - related party		716	(1,200)
Accounts Payable		(23,262)	(7,844)
Accounts payable - related party		2,579	120
Other payables		(78,971)	(65,734)
Other Payable - Related Party		220	(106)
Other Current liabilities		(38)	90
Other non-Current liabilities		(3,096)	(177)
Cash flow in from operating		447,672	71,966
Interest received		612	900
Interest paid		(15,698)	(16,090)
Income tax paid		(61)	(89)
Cash inflow from operating activities		432,525	56,687

(Continued)

Ruentex Materials Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to March 31, 2024 and 2023

Unit: NT\$ thousands

	Notes	January 1 to March 3 1 , 2 0 2 4	January 1 to March 3 1 , 2 0 2 3
<u>Cash flows from investing activities</u>			
Acquisition of financial assets measured at amortized costs - current		\$ -	(\$ 360)
Decrease (increase) in other financial assets - current		8,146	(760)
Real estate, plant and equipment acquired	6(26)	(39,755)	(92,207)
Acquisition of intangible assets	6(7)	(686)	-
Increase in prepayments for equipment		(956)	(13,760)
Decrease (increase) in refundable deposits		50	(66)
Cash used in investing activities		(33,201)	(107,153)
<u>Cash flows from financing activities</u>			
Decrease in short-term borrowings	6(27)	(350,000)	(150,000)
Increase (decrease) in short-term notes and bills payable	6(27)	50,000	(210,000)
Proceeds from long-term borrowings	6(27)	200,000	400,000
Repayments of long-term borrowings	6(27)	-	(200,000)
Principal elements of lease payments	6(27)	(3,355)	(3,201)
Cash used in financing activities		(103,355)	(163,201)
Net increase (decrease) in cash and cash equivalents		295,969	(213,667)
Cash and cash equivalents at the beginning of the period		300,262	652,743
Cash and cash equivalents, end of period		\$ 596,231	\$ 439,076

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

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and its subsidiaries
Notes to Consolidated Financial Statements
Three months ended March 31, 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 and subsidiaries (hereinafter referred to as “the Group”) are (1) The manufacture and distribution of semi-finished products and manufactured goods for cement, (2) The mining, manufacturing, and distribution of cement raw materials and mining and distribution of mineral ore, (3) Quarrying, (4) Building materials development, manufacture, and distribution, (5) Manufacture and sale of clay used for wall primer, powder coating material, tile adhesive, self-leveling cement, and dry-mixed cement mortar applications, (6) Interior decoration design and construction and garden greening design business, (7) Design and decoration of exhibition and expo venues, and (8) The sales, assembly, and import-export of furniture. Ruentex Engineering & Construction Co., Ltd. holds 39.15% equity of the Company. Ruentex Development Co., Ltd. is the ultimate parent company of the Group. The Company has been listed for trading on the Taipei Stock Exchange (TWSE) since July 13, 2015.

II. Date and Procedure for Approval of Financial Statements

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

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

January 1, 2024

Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”

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

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

NA

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

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

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board (IASB)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9— Comparative Information”	January 1, 2023
IFRS 18 "Presentation and Disclosure in of Financial Statements"	January 1, 2027
Amendments to IAS No. 21 "Lack of Convertibility"	January 1, 2025

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

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 compliance statement, basis of preparation, basis of consolidation, and additions are described as follows. The other significant accounting policies are the same as those in Note 4 to the 2023 consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

1. These consolidated financial statements have been prepared in accordance with the “Rules Governing the Preparation of Financial Statements by Securities Issuers” and IAS 34 “Interim Financial Reporting” endorsed and issued by the Financial Supervisory

Commission.

2. These consolidated financial statements shall be read in conjunction with the 2023 consolidated financial statements.

(II) Basis of preparation

1. Except the following material items, these consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets at fair value through other comprehensive income.
 - (2) Defined benefit liabilities recognized based on the net amount of pension fund Assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed 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 Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements

The basis for preparation of these consolidated financial statements are the same as that of the 2023 consolidated financial statements.

2. Subsidiaries included in the consolidated financial statements:

The Investee Company Name	Subsidiaries Name	Business nature	Percentage of Ownership			Description
			March 31, 2024	December 31, 2023	March 31, 2023	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Interior Design)	Interior decoration design and construction and garden greening design	35.19	35.19	35.19	Note

Note: 1. Though the Company does not own more than 50% of the voting rights directly or indirectly, but meets the requirement of controlling capability, and thus it is included in the consolidated entity.

2. On March 26, 2024, the Company's board of directors resolved for the Company’s subsidiary Ruentex Interior Design to apply for a cash capital increase before initial

listing on TWSE/TPEX by issuing new shares, with a total face value of NTD 15,000 and a total number of 1,500 thousand shares. After a report to the competent authority, the case is effective on April 10, 2024.

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments for subsidiaries with different balance sheet dates: None.
5. Significant restrictions: None.
6. Subsidiaries that have non-controlling interests that are material to the Group:

Name of subsidiary	Principal Place of Business	Non-controlling Interest			
		March 31, 2024		December 31, 2023	
		Amount	Percentage shareholding	Amount	Percentage shareholding
Ruentex Interior Design	Taiwan	\$ 342,516	64.81%	\$ 322,234	64.81%

Name of subsidiary	Principal Place of Business	March 31, 2023	
		Amount	Percentage shareholding
Ruentex Interior Design	Taiwan	\$ 292,816	64.81%

Summary of subsidiaries' financial information:

Balance Sheets

	Ruentex Interior Design		
	March 31, 2024	December 31, 2023	March 31, 2023
Current Assets	\$ 1,019,988	\$ 1,038,871	\$ 796,879
Non-current assets	182,786	198,648	176,354
Current liabilities	(647,082)	(706,915)	(487,506)
Non-current liabilities	(27,238)	(33,443)	(33,955)
Total net assets	\$ 528,454	\$ 497,161	\$ 451,772

Statements of Comprehensive Income

	Ruentex Interior Design	
	January 1 to March 31, 2024	January 1 to March 31, 2023
Income	\$ 418,537	\$ 256,583
Net profit before tax	53,372	23,659
Income tax expense	(10,682)	(4,732)
Net profit for the period of the continued business unit	42,690	18,927
Other comprehensive income (Net of tax)	(11,397)	(19,772)
Total comprehensive income for this period	\$ 31,293	(\$ 845)
Total comprehensive income attributed to non-controlling interest	\$ 20,282	(\$ 547)

Statements of Cash Flows

	Ruentex Interior Design	
	January 1 to March 31, 2024	January 1 to March 31, 2023
Net cash inflow (outflow) from operating activities	\$ 254,986	(\$ 40,158)
Net cash inflows (outflows) from investing activities	8,146	(1,446)
Cash used in financing activities	(1,993)	(1,843)
Net increase (decrease) in cash and cash equivalents	261,139	(43,447)
Cash and cash equivalents at the beginning of the period	182,917	220,172
Cash and cash equivalents, end of period	\$ 444,056	\$ 176,725

(IV) Employee benefits

The pension cost for the interim period was calculated using the actuarially determined pension cost rate at the end of the previous fiscal year based on the period from the beginning of the year to the end of the current period. If there are significant market changes and major reductions, settlements or other significant one-time events after the end date, adjustments will be made accordingly, and the relevant information will be disclosed in accordance with the aforementioned policies.

(V) Income tax

The annual average effective tax rate used to estimate the interim income tax expense shall be used to calculate the interim income before tax, and the relevant information is disclosed in accordance with the aforementioned policies.

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

There was no significant change in the current period. Please refer to Note 5 to the 2023 consolidated financial statements.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash on hand and revolving funds	\$ 260	\$ 260	\$ 260
Checking deposits	31,083	27,275	152,411
Demand deposits	41,700	83,929	55,873
Time deposits	50,717	50,585	50,201
Cash equivalents - Bonds under repurchase agreements	<u>472,471</u>	<u>138,213</u>	<u>180,331</u>
	<u>\$ 596,231</u>	<u>\$ 300,262</u>	<u>\$ 439,076</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group's restricted cash and cash equivalents on March 31, 2024, December 31, 2023 and March 31, 2023 due to guarantees for the performance of contracts were NT\$100,670, NT\$108,816, and NT\$121,315, respectively, of which NT\$8,814, NT\$16,960 and NT\$29,496 were classified as other financial assets - current (recognized in "other current assets") and NT\$91,856, NT\$91,856 and NT\$91,819 were classified as other financial assets - non-current (recognized in "other non-current assets"). Please refer to Note 8.

(II) Notes and accounts receivable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 150,227	\$ 168,487	\$ 129,259
Notes Receivable – related party	<u>438</u>	<u>5,503</u>	<u>5,512</u>
	<u>\$ 150,665</u>	<u>\$ 173,990</u>	<u>\$ 134,771</u>
Accounts receivable	\$ 631,859	\$ 876,701	\$ 590,814
Less: Allowance for loss	<u>(5,886)</u>	<u>(7,144)</u>	<u>(3,966)</u>

Subtotal	625,973	869,557	586,848
Accounts receivable - related party	<u>155,037</u>	<u>248,002</u>	<u>78,745</u>
	<u>\$ 781,010</u>	<u>\$ 1,117,559</u>	<u>\$ 665,593</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 March 31, 2024, December 31, 2023 and March 31, 2023, the amounts were NT\$60,461, NT\$112,165 and NT\$125,469.
2. The aging analysis of accounts receivable (including related parties) and notes receivable (including related parties) is as follows:

	March 31, 2024		December 31, 2023		March 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not overdue	\$ 782,331	\$ 150,665	\$ 1,119,074	\$ 173,990	\$ 664,203	\$ 134,771
Overdue						
Within 30 days	527	-	2,338	-	1,353	-
31-60 days	361	-	130	-	692	-
61-90 days	341	-	75	-	1,423	-
91 days and more	<u>3,336</u>	<u>-</u>	<u>3,086</u>	<u>-</u>	<u>1,888</u>	<u>-</u>
	<u>\$ 786,896</u>	<u>\$ 150,665</u>	<u>\$ 1,124,703</u>	<u>\$ 173,990</u>	<u>\$ 669,559</u>	<u>\$ 134,771</u>

The aging analysis was based on past due date.

3. The balances of notes and accounts receivable on March 31, 2024, December 31, 2023, and March 31, 2023 were all generated from contracts with customers. The balances of contractual notes receivable and accounts receivable are NT\$162,706 and NT\$756,625, respectively for January 1, 2023.
4. The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, was NT\$150,665, NT\$173,990, and NT\$134,771 for notes receivable as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively; NT\$781,010, NT\$1,117,559, and NT\$665,593 for accounts receivable as of March 31, 2024, December 31, 2023, and March 31, 2023, respectively.

5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12(2).

(III) Inventories

March 31, 2024			
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	\$ 434,035	(\$ 2,589)	\$ 431,446
Work in process	178,490	-	178,490
Finished goods	96,393	(115)	96,278
Merchandise inventory	<u>1,546</u>	<u>-</u>	<u>1,546</u>
	<u>\$ 710,464</u>	<u>(\$ 2,704)</u>	<u>\$ 707,760</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	<u>7,325</u>	<u>-</u>	<u>7,325</u>
	<u>\$ 735,436</u>	<u>(\$ 2,618)</u>	<u>\$ 732,818</u>

March 31, 2023			
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	\$ 512,397	(\$ 2,098)	\$ 510,299
Work in process	128,082	(5,394)	122,688
Finished goods	84,429	(2,261)	82,168
Merchandise inventory	<u>490</u>	<u>-</u>	<u>490</u>
	<u>\$ 725,398</u>	<u>(\$ 9,753)</u>	<u>\$ 715,645</u>

Inventory recognized as expenses in the current period:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Cost of inventories sold	\$ 974,424	\$ 835,996
Loss on market value decline of inventory	86	8,781
Unallocated manufacturing costs	1,710	1,710
Revenue from sales of scraps	<u>(1,360)</u>	<u>(2,701)</u>
	<u>\$ 974,860</u>	<u>\$ 843,786</u>

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

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Non-current items:			
Equity Instrument			
Shares of TWSE listed companies	\$ 690,007	\$ 690,007	\$ 690,007
Shares of the TPEX listed companies	<u>24,868</u>	<u>24,868</u>	<u>24,868</u>
	<u>714,875</u>	<u>714,875</u>	<u>714,875</u>
Adjustments for valuation			
Shares of TWSE listed companies	(107,965)	(59,951)	(136,380)
Shares of the TPEX listed companies	<u>(17,511)</u>	<u>(16,725)</u>	<u>(15,317)</u>
	<u>(125,476)</u>	<u>(76,676)</u>	<u>(151,697)</u>
Total	<u>\$ 589,399</u>	<u>\$ 638,199</u>	<u>\$ 563,178</u>

1. The Group elected to classify the TWSE listed securities investments for stable dividends as financial assets at fair value through other comprehensive income; such investments amounted to NT\$582,042, NT\$630,056 and NT\$553,627 as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
2. The Group elected to classify the strategic investments in privately offered shares of TWSE listed companies as financial assets at fair value through other comprehensive income, amounting to NT\$7,357, NT\$8,143 and NT\$9,551 as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
3. Detail of the financial Assets at fair value through other comprehensive income recognized under the comprehensive income is as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	<u>(\$ 48,800)</u>	<u>(\$ 81,845)</u>

4. The maximum exposure to credit risk for the Group's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$589,399, NT\$638,199 and NT\$563,178 as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
5. For information on the price risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(V) Property, plant, and equipment

	2024								
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leased assets	Miscellaneous equipment	Unfinished construction and equipment pending for inspection	Total
January 1									
Cost	\$ 1,535,961	\$1,477,660	\$ 2,071,138	\$ 13,969	\$ 16,278	\$ 2,279	\$ 66,997	\$ 209,720	\$5,394,002
Accumulated depreciation	-	(544,090)	(1,057,135)	(9,843)	(9,064)	(1,315)	(35,151)	-	(1,656,598)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$ 1,535,961</u>	<u>\$ 923,239</u>	<u>\$ 958,562</u>	<u>\$ 4,126</u>	<u>\$ 7,214</u>	<u>\$ 964</u>	<u>\$ 31,467</u>	<u>\$ 209,720</u>	<u>\$ 3,671,253</u>
January 1	\$ 1,535,961	\$ 923,239	\$ 958,562	\$ 4,126	\$ 7,214	\$ 964	\$ 31,467	\$ 209,720	\$ 3,671,253
Addition	-	261	9,652	-	-	-	5,082	37,666	52,661
Transfer for current period (Note)	-	-	162,767	-	-	-	18,110	(180,187)	690
Depreciation expense	-	(12,064)	(45,423)	(245)	(618)	(75)	(1,899)	-	(60,324)
March 31	<u>\$ 1,535,961</u>	<u>\$ 911,436</u>	<u>\$ 1,085,558</u>	<u>\$ 3,881</u>	<u>\$ 6,596</u>	<u>\$ 889</u>	<u>\$ 52,760</u>	<u>\$ 67,199</u>	<u>\$ 3,664,280</u>
March 31									
Cost	\$ 1,535,961	\$1,477,921	\$ 2,243,557	\$ 13,969	\$ 16,278	\$ 2,279	\$ 90,189	\$ 67,199	\$ 5,447,353
Accumulated depreciation	-	(556,154)	(1,102,558)	(10,088)	(9,682)	(1,390)	(37,050)	-	(1,716,922)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$ 1,535,961</u>	<u>\$ 911,436</u>	<u>\$ 1,085,558</u>	<u>\$ 3,881</u>	<u>\$ 6,596</u>	<u>\$ 889</u>	<u>\$ 52,760</u>	<u>\$ 67,199</u>	<u>\$ 3,664,280</u>

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

2023

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leased assets	Miscellaneous equipment	Unfinished construction and equipment pending for inspection	Total
January 1									
Cost	\$ 1,535,961	\$1,465,864	\$ 1,964,955	\$ 11,374	\$ 12,107	\$ 1,470	\$ 70,202	\$ 28,437	\$ 5,090,370
Accumulated depreciation	-	(496,087)	(932,542)	(9,834)	(7,520)	(1,119)	(30,219)	-	(1,477,321)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$ 1,535,961</u>	<u>\$ 959,446</u>	<u>\$ 976,972</u>	<u>\$ 1,540</u>	<u>\$ 4,587</u>	<u>\$ 351</u>	<u>\$ 39,604</u>	<u>\$ 28,437</u>	<u>\$ 3,546,898</u>
January 1	\$ 1,535,961	\$ 959,446	\$ 976,972	\$ 1,540	\$ 4,587	\$ 351	\$ 39,604	\$ 28,437	\$ 3,546,898
Addition	-	1,528	22,615	-	315	-	385	81,169	106,012
Transfer for current period (Note)	-	2,498	-	-	-	-	-	14,895	17,393
Costs of disposal	-	-	-	-	(7)	-	-	-	(7)
Disposal of accumulated depreciation	-	-	-	-	7	-	-	-	7
Depreciation expense	-	(11,917)	(40,309)	(219)	(395)	(18)	(1,500)	-	(54,358)
March 31	<u>\$ 1,535,961</u>	<u>\$ 951,555</u>	<u>\$ 959,278</u>	<u>\$ 1,321</u>	<u>\$ 4,507</u>	<u>\$ 333</u>	<u>\$ 38,489</u>	<u>\$ 124,501</u>	<u>\$ 3,615,945</u>
March 31									
Cost	\$ 1,535,961	\$1,469,890	\$ 1,987,570	\$ 11,374	\$ 12,415	\$ 1,470	\$ 70,587	\$ 124,501	\$ 5,213,768
Accumulated depreciation	-	(508,004)	(972,851)	(10,053)	(7,908)	(1,137)	(31,719)	-	(1,531,672)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$ 1,535,961</u>	<u>\$ 951,555</u>	<u>\$ 959,278</u>	<u>\$ 1,321</u>	<u>\$ 4,507</u>	<u>\$ 333</u>	<u>\$ 38,489</u>	<u>\$ 124,501</u>	<u>\$ 3,615,945</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 Group is held in the name of another person and a mortgage is created to the Group. Please refer to Note 7 for details.

(VI) Lease transactions - lessees

1. The underlying assets leased by the Group are the offices, land for mining use, parking spaces and company vehicles, and the term of lease is normally between 2020 and 2026. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merger, among other forms.
2. The lease period for the employee dormitories, warehouse and exhibition center leased by the Group 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			
	Land	Buildings	Transportation equipment	Total
January 1				
Cost	\$ 7,265	\$ 63,145	\$ 752	\$ 71,162
Accumulated depreciation	(6,306)	(32,880)	(125)	(39,311)
	<u>\$ 959</u>	<u>\$ 30,265</u>	<u>\$ 627</u>	<u>\$ 31,851</u>
January 1	\$ 959	\$ 30,265	\$ 627	\$ 31,851
Revaluation of lease liabilities	9,846	-	-	9,846
Depreciation expense	(9,450)	(3,290)	(63)	(12,803)
March 31	<u>\$ 1,355</u>	<u>\$ 26,975</u>	<u>\$ 564</u>	<u>\$ 28,894</u>
March 31				
Cost	\$ 17,111	\$ 63,145	\$ 752	\$ 81,008
Accumulated depreciation	(15,756)	(36,170)	(188)	(52,114)
	<u>\$ 1,355</u>	<u>\$ 26,975</u>	<u>\$ 564</u>	<u>\$ 28,894</u>

	2023			
	Land	Buildings	Transportation equipment	Total
January 1				
Cost	\$ 7,265	\$ 60,350	\$ 1,729	\$ 69,344
Accumulated depreciation	(4,525)	(19,999)	(1,434)	(25,958)
	<u>\$ 2,740</u>	<u>\$ 40,351</u>	<u>\$ 295</u>	<u>\$ 43,386</u>
January 1	\$ 2,740	\$ 40,351	\$ 295	\$ 43,386
Addition-Newly added lease contracts	-	272	-	272
Depreciation expense	(445)	(3,080)	(148)	(3,673)
March 31	<u>\$ 2,295</u>	<u>\$ 37,543</u>	<u>\$ 147</u>	<u>\$ 39,985</u>
March 31				
Cost	\$ 7,265	\$ 60,622	\$ 1,729	\$ 69,616
Accumulated depreciation	(4,970)	(23,079)	(1,582)	(29,631)
	<u>\$ 2,295</u>	<u>\$ 37,543</u>	<u>\$ 147</u>	<u>\$ 39,985</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Total amount of lease liabilities	\$ 44,638	\$ 38,147	\$ 45,048
Less: Due within one year (listed as lease liabilities - current)	(29,997)	(20,174)	(18,460)
	<u>\$ 14,641</u>	<u>\$ 17,973</u>	<u>\$ 26,588</u>

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

	January 1 to March 31, 2024	January 1 to March 31, 2023
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	<u>\$ 80</u>	<u>\$ 106</u>
Expenses of short-term lease contracts	<u>\$ 724</u>	<u>\$ 166</u>

6. The total cash outflow for the lease of the Group for the three months ended on March 31, 2024 and 2023 was NT\$4,159 and NT\$3,473, 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 has applied to the competent authorities for the renewal of the leases.

The application for renewal of the lease of the mining land for auxiliary facilities was completed in January 2023, and the lease term will end on June 18, 2024. In addition, according to the letter from the Yilan Branch of the Forestry and Conservation Administration, Ministry of Agriculture, 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 had a reassessment of the said lease liability in March 2024 and recognized right-of-use assets of NT\$9,846 and lease liabilities of NT\$9,846.

(VII) Intangible Assets

	2024			
	Mineral source	Trademark rights, patent rights and service concession	Others	Total
January 1				
Cost	\$ 234,798	\$ 30,000	\$ 118,848	\$ 383,646
Accumulated amortization	(60,416)	(30,000)	(49,744)	(140,160)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 57,864</u>	<u>\$ 170,274</u>
January 1	\$ 112,410	\$ -	\$ 57,864	\$ 170,274
Addition	-	-	686	686
Cost of derecognition	-	-	(1,354)	(1,354)
Accumulated amortization on the derecognition date	-	-	1,354	1,354
Amortization	-	-	(2,053)	(2,053)
March 31	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 56,497</u>	<u>\$ 168,907</u>
March 31				
Cost	\$ 234,798	\$ 30,000	\$ 118,180	\$ 382,978
Accumulated amortization	(60,416)	(30,000)	(50,443)	(140,859)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 56,497</u>	<u>\$ 168,907</u>

	2023			
	Mineral source	Trademark rights, patent rights and service concession	Others	Total
January 1				
Cost	\$ 234,798	\$ 30,000	\$ 114,453	\$ 379,251
Accumulated amortization	(60,416)	(30,000)	(42,313)	(132,729)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 60,900</u>	<u>\$ 173,310</u>
January 1	\$ 112,410	\$ -	\$ 60,900	\$ 173,310
Cost of derecognition	-	-	(684)	(684)
Accumulated amortization on the derecognition date	-	-	684	684
Amortization	-	-	(2,148)	(2,148)
March 31	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 58,752</u>	<u>\$ 171,162</u>
March 31				
Cost	\$ 234,798	\$ 30,000	\$ 113,769	\$ 378,567
Accumulated amortization	(60,416)	(30,000)	(43,777)	(134,193)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 58,752</u>	<u>\$ 171,162</u>

Details of amortization of intangible assets are as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Operation cost	\$ 1,955	\$ 1,955
Operating Expenses	<u>98</u>	<u>193</u>
	<u>\$ 2,053</u>	<u>\$ 2,148</u>

The Company owns the mine operation rights at Yilan Lankan Mine (Tai-Ji-Cai-Zi No. 5569 Mine Operation Right) and Hualien Huahsin Mine (Tai-Ji-Cai-Zi No. 5345 Marble Mine Operation Right) which will expire on June 18, 2032 and July 1, 2025, respectively. At present, the limestone quarrying in the original mining area has nearly been exhausted and an application has been made to the Bureau of Mines, Ministry of Economic Affairs, in accordance with Article 43 of the Mining Act for an extension of the mining area within the original mine operation rights (Expansion).

On September 15, 2020, the above-mentioned application of the Yilan Lankan Minefield received the Administrative Disposition Jin Shou Chuan Zi No. 10920107100 from the Ministry of Economic Affairs, which stated, "Because the public land authority (i.e. the Luodong District Office of the Forestry Bureau of the Council of Agriculture, Executive Yuan) has indicated that the approval of mineral land is denied because it does not meet the requirements of No. 13 of the Regulations for Conservation Forest Managements; therefore, the application is rejected in accordance with Article 43 of the Mining Act." The Company filed a petition in accordance with the law on October 6, 2020 due to dissatisfaction with the administrative sanction imposed by the authority; however, the petition was rejected by the Executive Yuan, referencing Yuan-Tai-Su-Zi No. 1100178798 dated July 8, 2021. The material changes from the adverse impact on the Company's assets due to administrative authorities' fact determination and application of laws had led to signs of impairment of the Company's assets in accordance with the IAS 36. The property, plants, and equipment of NT\$66,151 and intangible assets of NT\$73,212 related to the Yilan Lankan Mine, totaling NT\$139,363, were recognized in impairment losses in June 2021.

However, to ensure the equity and efficiency of the Company's assets, if the mining land for mining sources legally held can be expanded and continued to be mined, it will make a reasonable contribution to the Company's future profits. The Yilan Lankan Stone Mine expansion case was filed with The High Administrative Court on September 9, 2021, but the administrative lawsuit was dismissed on February 29, 2024 by the Taipei High Administrative Court judgment year 2021 Su-Zi No. 1062. The Company has already make a provision for impairment loss. Hence, there is no material impact on the Company's finance or business of the judgment results, 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 the May 13, 2024, the relevant planning is still in progress and the application procedure has not yet been completed.

(VIII) Short-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Credit bank loan	\$ <u>400,000</u>	\$ <u>750,000</u>	\$ <u>800,000</u>
Interest rate collars	1.905%	1.78%~1.83%	1.73%~1.82%

In addition to the collateral provided for the short-term borrowings as described in Note 8, the Group also issued the guarantee notes of the amount as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Guarantee notes	<u>\$ 1,650,000</u>	<u>\$ 1,650,000</u>	<u>\$ 1,600,000</u>

(IX) Short-term notes and bills payable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Commercial papers payable	\$ 320,000	\$ 270,000	\$ 100,000
Less: Unamortized discount	(17)	(64)	(18)
	<u>\$ 319,983</u>	<u>\$ 269,936</u>	<u>\$ 99,982</u>
Interest rate collars	1.50%~1.59%	1.32%~1.61%	1.10%

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

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

(X) Other payables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Salary and wages payable	\$ 74,069	\$ 137,707	\$ 47,427
Payables for equipment	25,971	13,065	45,742
Electricity bill payable	21,040	29,487	23,076
Commodity tax payable	15,212	16,854	15,630
Business tax payable	3,863	11,456	2,097
Other Payable	<u>33,269</u>	<u>31,246</u>	<u>27,787</u>
	<u>\$ 173,424</u>	<u>\$ 239,815</u>	<u>\$ 161,759</u>

(XI) Long-term borrowings

Nature of loan	Loan period and borrowing method	Interest rate collars	Guarantee	March 31, 2024
Long-term bank loan				
Secured loan	From September 1, 2023 to August 31, 2025, monthly payment of interest, re-payment on maturity.	1.875%	Note	\$ 1,700,000
Credit Loan	Interest will be paid monthly from September 30, 2023 to January 23, 2026 with interest repayable upon maturity.	1.78%~1.936%	Note	<u>1,000,000</u>
				<u>\$ 2,700,000</u>

Nature of loan	Loan period and borrowing method	Interest rate collars	Guarantee	December 31, 2023
Long-term bank loan				
Secured loan	From September 1, 2023 to August 31, 2025, monthly payment of interest, re-payment on maturity.	1.75%	Note	\$ 1,600,000
Credit Loan	From February 22, 2023 to September 30, 2025, monthly payment of interest, re-payment on maturity.	1.78%~1.852%	Note	<u>900,000</u>
				<u>\$ 2,500,000</u>

Nature of loan	Loan period and borrowing method	Interest rate collars	Guarantee	March 31, 2023
Long-term bank loan				
Secured loan	From September 1, 2022 to August 31, 2024, monthly payment of interest, re-payment on maturity.	1.85%	Note	\$ 1,500,000
Credit Loan	Interest will be paid monthly from October 1, 2021 to February 8, 2025 with interest repayable upon maturity.	1.75%~1.95%	Note	<u>1,250,000</u>
				2,750,000
Less: Long-term borrowings due within one year or one operating cycle				<u>(150,000)</u>
				<u>\$ 2,600,000</u>

Note: In addition to the collateral provided for the long-term borrowings as described in Note 8, the Group also issued the guarantee notes of the amount as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Guarantee notes	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 1,950,000</u>

(XII) Pensions

- 1.(1) Ruentex Interior Design has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. Ruentex Interior Design contributes monthly an amount equal to 2% of employees' monthly salaries and wages to the retirement fund deposited with the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, Ruentex Interior Design assesses the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension, calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, Ruentex Interior Design will make contributions to cover the deficit by the end of next March.
 - (2) For the periods from January 1 to March 31, 2024 and 2023, pension expenses were NT\$33 and NT\$34, respectively.
 - (3) Expected contributions to the defined benefit pension plans of Ruentex Interior Design for the year ending December 31, 2024 amounts to NT\$147.
- 2.(1) The Group has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of 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) For the periods from January 1 to March 31, 2024 and 2023, pension expenses were NT\$4,259 and NT\$4,070, respectively.

(XIII) Capital

1. The number of outstanding shares of the Company as of March 31, 2024 and 2023 was both 150,000 thousand shares, and the number of shares for the three months ended on March 31, 2024 and 2023 remained unchanged.
2. As of March 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.

(XIV) Capital surplus

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.

(XV) Retained earnings

1. Under the Articles of Incorporation of the Company, the earnings, if any, shall be distributed after close of the year as follows:
 - (1) First pay income tax.
 - (2) Make up loss accumulated in previous year, if any.
 - (3) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
 - (4) Amortize or rotate special reserve as required by law or the competent authority.
 - (5) For the balance after deduction of the sums under the preceding Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.
2. The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's finances, business, operation, capital budget, and so on factors in maintaining the shareholders' interests, balancing dividends, and the Company's long-term financial plan. Each year, the Board of Directors proposes the appropriation of earnings according to laws and submits the proposal to the shareholders' meeting for approval. The appropriation of earnings shall be made with considerations of various factors such as the Company's finances, business, and operation aspects. Dividends may be distributed in the form of cash or shares, provided, however, that cash dividends distributed in respect of any fiscal year shall not exceed 10% of the total shareholders' dividends distributed.

3. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- 5.(1) The Company's earning distribution plan for the year ended December 31, 2022 approved by the shareholders' meeting on May 22, 2023 is as follows:

	<u>2022</u>	
	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
Legal reserve	\$ 3,845	
Special reserve	34,600	
Cash dividends	<u>-</u>	\$ -
Total	<u>\$ 38,445</u>	

(2) According to the approval of the proposal made by the Shareholders Meeting on May 22, 2023, the Company allotted NT\$0.23 per share from capital surplus - issued at premium in a total amount of NT\$34,500.

- 6.(1) The Company's earning distribution plan for the year ended December 31, 2023 approved by the board of directors' meeting on March 13, 2024 is as follows:

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

(2) The above-mentioned 2023 distribution plan had not yet been resolved by the shareholders' meeting as of May 13, 2024.

(XVI) Operating Revenue

	January 1 to March 31, 2024		January 1 to March 31, 2023	
Revenue from contracts with customers:				
Revenue from sales of goods	\$	1,081,561	\$	868,573
Revenue from construction contracts		412,693		268,947
Other revenue from contracts		24,694		28,300
	\$	<u>1,518,948</u>	\$	<u>1,165,820</u>

1. Detail of customer contract income

The Group's revenue is mainly from the transfer of services over time and transfer of products at a point of time, and it can be divided based on product lines as follows:

January 1, 2024 to March 31, 2024	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	\$ 550,266	\$ 557,936	\$ 414,288	\$ 1,522,490
Revenue from internal department transactions	-	(1,947)	(1,595)	(3,542)
Revenue from contracts with external customers	<u>\$ 550,266</u>	<u>\$ 555,989</u>	<u>\$ 412,693</u>	<u>\$ 1,518,948</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 525,572	\$ 555,989	\$ -	\$ 1,081,561
Revenue recognized over time	24,694	-	412,693	437,387
	<u>\$ 550,266</u>	<u>\$ 555,989</u>	<u>\$ 412,693</u>	<u>\$ 1,518,948</u>

January 1, 2023 to March 31, 2023	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	\$ 497,340	\$ 401,002	\$ 268,947	\$ 1,167,289
Revenue from internal department transactions	-	(1,469)	-	(1,469)
Revenue from contracts with external customers	<u>\$ 497,340</u>	<u>\$ 399,533</u>	<u>\$ 268,947</u>	<u>\$ 1,165,820</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 469,040	\$ 399,533	\$ -	\$ 868,573
Revenue recognized over time	28,300	-	268,947	297,247
	<u>\$ 497,340</u>	<u>\$ 399,533</u>	<u>\$ 268,947</u>	<u>\$ 1,165,820</u>

2. As of March 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:

Year	Year of the estimated recognized revenues	Amounts of the signed contracts
2024	2024 ~ 2025	<u>\$ 1,646,601</u>
2023	2023 ~ 2026	<u>\$ 1,461,902</u>

3. Contract assets and contract liabilities

The Group's recognition of contract assets and contract liabilities related to contracts with customers is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Contract asset:				
Contract asset - Retainable receivable (including related parties)	\$ 25,604	\$ 13,150	\$ 9,084	\$ 16,038
Contract asset - Construction contract	<u>391,269</u>	<u>364,587</u>	<u>410,742</u>	<u>396,635</u>
Total	<u>\$ 416,873</u>	<u>\$ 377,737</u>	<u>\$ 419,826</u>	<u>\$ 412,673</u>
Contract liability:				
Contract liabilities - Construction materials contract (related parties included)	\$ 11,116	\$ 23,527	\$ 6,285	\$ 18,078
Contract liability - Construction contract	<u>18,104</u>	<u>26,825</u>	<u>3,714</u>	<u>14,643</u>
Total	<u>\$ 29,220</u>	<u>\$ 50,352</u>	<u>\$ 9,999</u>	<u>\$ 32,721</u>

4. The contract assets/contract liabilities recognized in the aforementioned construction contracts on March 31, 2024, December 31, 2023, March 31, 2023, and January 1, 2023 are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Total costs incurred plus profits recognized (less losses recognized)	\$ 1,858,891	\$ 1,552,369	\$ 818,528	\$ 889,620
Less: Amount requested for progress of works	<u>(1,485,726)</u>	<u>(1,214,607)</u>	<u>(411,500)</u>	<u>(507,628)</u>
Status of net assets and liabilities of ongoing contracts	<u>\$ 373,165</u>	<u>\$ 337,762</u>	<u>\$ 407,028</u>	<u>\$ 381,992</u>

(XVII) Operation cost

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Cost of sales of goods	\$ 974,860	\$ 843,786
Cost of construction contract	328,996	223,633
Other costs from contracts	<u>2,191</u>	<u>1,596</u>
	<u>\$ 1,306,047</u>	<u>\$ 1,069,015</u>

(XVIII) Interest revenue

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest on cash in banks	\$ 955	\$ 668
Interest income from the financial assets measured at amortized costs	<u>-</u>	<u>236</u>
	<u>\$ 955</u>	<u>\$ 904</u>

(XIX) Other income

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Rent income	\$ 278	\$ 282
Other income	<u>35</u>	<u>3,815</u>
	<u>\$ 313</u>	<u>\$ 4,097</u>

(XX) Other gains and losses

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Net foreign exchange loss	\$ -	(\$ 1,993)
Gain (loss) on foreign currency valuation	60	(17)
Others	<u>(144)</u>	<u>(126)</u>
	<u>(\$ 84)</u>	<u>(\$ 2,136)</u>

(XXI) Financial Costs

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Interest expense:		
Bank loan	\$ 15,339	\$ 16,240
Lease liabilities	<u>80</u>	<u>106</u>
	<u>\$ 15,419</u>	<u>\$ 16,346</u>

(XXII) Additional information of expenses by nature

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	\$ 597,741	\$ 524,275
Contract work	310,419	206,094
Employee benefit expense	154,989	120,691
Depreciation expenses for property, plant and equipment	60,324	54,358
Depreciation expenses for right-of-use assets	12,803	3,673
Depreciation and amortization expenses of intangible assets	2,053	2,148
Other expense	<u>260,953</u>	<u>221,576</u>
Operating costs and expenses	<u>\$ 1,399,282</u>	<u>\$ 1,132,815</u>

(XXIII) Employee benefit expense

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Wages and salaries	\$ 130,014	\$ 98,796
Labor and Health Insurance costs	11,576	10,258
Pension expense	4,292	4,104
Directors' Remuneration	1,662	1,662
Other employment fees	<u>7,445</u>	<u>5,871</u>
	<u>\$ 154,989</u>	<u>\$ 120,691</u>

1. According to the Articles of Incorporation, the Company shall appropriate at least 1% of the remainder of the profit for the year as profit sharing remuneration for employees after deducting the accumulated losses from the profit for the current year. None will be distributed for director remuneration.
- 2.(1) The Company's estimated amounts of employee remuneration from January 1 to March 31, 2024 and 2023 were NT\$678 and NT\$25, respectively, and the aforementioned amounts were recorded as salary expenses.
 - (2) The employees' compensation was estimated and accrued based on 1% of distributable profit of the current year for the three months ended on March 31, 2024.
 - (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 aforementioned employee remuneration will be distributed in the form of cash. As of the reporting date, the actual distribution has not yet been made.

- (4) Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXIV) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Current income tax:		
Income tax occurred in the current period	\$ <u>20,947</u>	\$ <u>4,745</u>
Total income tax for current period	<u>20,947</u>	<u>4,745</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>169</u>	<u>(1,714)</u>
Total deferred income tax	<u>169</u>	<u>(1,714)</u>
Income tax expense	<u>\$ 21,116</u>	<u>\$ 3,031</u>

(2) Income tax expense relating to components of other comprehensive income:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Changes in fair value through other comprehensive income	<u>\$ 1,335</u>	<u>\$ 2,315</u>

2. The Company's income tax returns through 2021 have been assessed as approved by the Tax Authority.

(XXV) Earnings per share

	<u>January 1 to March 31, 2024</u>		
	After-tax amount	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 56,646	150,000	\$ 0.38
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 56,646	150,000	
Impact of potential diluted common shares			
Remuneration to employee	-	65	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 56,646	150,065	\$ 0.38
<u>January 1 to March 31, 2023</u>			
	After-tax amount	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 4,225	150,000	\$ 0.03
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 4,225	150,000	
Impact of potential diluted common shares			
Remuneration to employee	-	1	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 4,225	150,001	\$ 0.03

(XXVI) Cash flow supplementary information

1. Investing activities not affecting cash flow:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Prepayments for business facilities reclassified to property, plant and equipment	<u>\$ 690</u>	<u>\$ 17,393</u>

2. Investing activities paid partially by cash:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Acquisition of property, plant and equipment	\$ 52,661	\$ 106,012
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>(25,971)</u>	<u>(45,742)</u>
Cash payments for current period	<u>\$ 39,755</u>	<u>\$ 92,207</u>

(XXVII) Changes of liabilities from financing activities

	2024					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities - current and non-current	Long-term borrowings	Non-current liabilities (guarantee deposits received)	Total liabilities from financing activities
January 1	\$ 750,000	\$ 269,936	\$ 38,147	\$ 2,500,000	\$ 7,541	\$ 3,565,624
Changes of the financing cash flows	(350,000)	50,000	(3,355)	200,000	-	(103,355)
Revaluation of lease liabilities	-	-	9,846	-	-	9,846
Other non-cash changes	-	47	-	-	-	47
March 31	<u>\$ 400,000</u>	<u>\$ 319,983</u>	<u>\$ 44,638</u>	<u>\$ 2,700,000</u>	<u>\$ 7,541</u>	<u>\$ 3,472,162</u>
	2023					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities - current and non-current	Long-term borrowings (including those due within one year or one operating cycle)	Non-current liabilities (guarantee deposits received)	Total liabilities from financing activities
January 1	\$ 950,000	\$ 309,832	\$ 47,977	\$ 2,550,000	\$ 7,562	\$ 3,865,371
Changes of the financing cash flows	(150,000)	(210,000)	(3,201)	200,000	-	(163,201)
Addition-Newly added lease contracts	-	-	272	-	-	272
Other non-cash changes	-	150	-	-	-	150
March 31	<u>\$ 800,000</u>	<u>\$ 99,982</u>	<u>\$ 45,048</u>	<u>\$ 2,750,000</u>	<u>\$ 7,562</u>	<u>\$ 3,702,592</u>

VII. Transaction with Related Parties

(I) Parent Company and the ultimate controller

The Company is controlled by Ruentex Engineering & Construction Co., Ltd. which holds 39.15% of the Company's shares. The ultimate parent company of the Company is the Ruentex Development Co., Ltd.

(II) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relation to the Group</u>
Ruentex Development Co., Ltd. (Ruentex Development)	Ultimate parent company of the Group
Ruentex Engineering & Construction Co., Ltd.	Direct parent company (The parent company of the Group)
Ruen Yang Construction Co., Ltd. (Ruen Yang Construction)	Fellow subsidiary (A subsidiary of the parent company of the Group)
Ruentex Property Management and Maintenance Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Bai-Yi Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Xu-Zhan Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Construction & Development Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Innovative Development Co., Ltd. (Ruentex Innovative Development)	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Industries Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Group)
Nan Shan Life Insurance Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Group)
Nan Shan General Insurance Co., Ltd.	Other related parties (subsidiary of a company recognized using the equity method for the ultimate parent company of the Group)
Shing Yen Construction & Development Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Group)
Ruentex Construction & Engineering Co., Ltd. (Ruentex Construction)	Other related party (the management personnel of the Group's parent company is the representative of the juridical person director of the Company)
Ruentex Xing Co. Ltd.	Other related party (its director is the representative of the juridical person director of the Group)
Penglin Investment Co., Ltd.	Other related party (its director is the representative of the juridical person director of the Group)

Huei Hong Investment Co., Ltd.	Other related party (The Group's juridical person director)
Shu-Tien Urology and Ophthalmology Clinic	Other related party (a juridical person director of an affiliate of the ultimate parent company of the Group)
Chang Quan Investment Co., Ltd.	Other related party (The Group's representative of the juridical person director is the representative of the juridical person director of the company)
Sunny Friend Environmental Technology Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Group)
Samuel Yen-Liang Yin	Other related party (the relative within the first degree of kinship of the representative of the juridical corporate director of the Group)
Mo, Wei-Han	Chairperson of the Company
Chen, Hsueh-Hsien	President of the Company
Jean, Tsang-Jiunn	Chairperson of the subsidiary of the Company
Lu, Yu-Huang	President of the subsidiary of the Company

(III) Significant related party transactions and balances

1. Operating Revenue

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Sales of goods:		
– The ultimate parent company	\$ 31,714	\$ 6,226
– The direct parent company	33,942	34,344
– Fellow subsidiary	-	958
– Other related parties	3,081	530
Contract of construction:		
– The ultimate parent company	71,388	92,899
– The direct parent company	7,002	6,928
– Ruentex Innovative Development	101,754	25,837
– Fellow subsidiary	-	7,700
– Other related parties	14,553	1,799
	<u>\$ 263,434</u>	<u>\$ 177,221</u>

There is no significant difference in the transaction prices and payment terms for goods sold and the non-related parties. The contract prices of the contract of construction is negotiated

by both parties and are collected by the due date as stated in the contract.

2. Receivables from related parties

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable:			
– The ultimate parent company	\$ -	\$ 1,563	\$ 1,694
– The direct parent company	438	3,895	3,818
– Fellow subsidiary	-	45	-
	<u>\$ 438</u>	<u>\$ 5,503</u>	<u>\$ 5,512</u>
Accounts receivable			
– The ultimate parent company	\$ 53,447	\$ 56,675	\$ 25,708
– The direct parent company	28,920	28,192	31,525
– Ruentex Innovative Development	63,878	146,567	18,984
– Fellow subsidiary	5,032	14,447	932
– Other related parties	3,760	2,121	1,596
	<u>\$ 155,037</u>	<u>\$ 248,002</u>	<u>\$ 78,745</u>

3. Contract assets - retainable receivables

	March 31, 2024	December 31, 2023	March 31, 2023
– The ultimate parent company	\$ 4,351	\$ 2,627	\$ 4,994
– The direct parent company	1,149	1,086	1,952
– Ruentex Innovative Development	19,245	8,746	606
– Fellow subsidiary	-	-	97
	<u>\$ 24,745</u>	<u>\$ 12,459</u>	<u>\$ 7,649</u>

4. Incomplete work of construction contracting and advance construction receipts

	March 31, 2024		December 31, 2023	
	Total contract amount (Tax excluded)	Amount requested for progress of works	Total contract amount (Tax excluded)	Amount requested for progress of works
Ruentex Development	\$ 1,069,838	\$ 121,299	\$ 864,591	\$ 71,093
Ruentex Innovative Development	686,839	427,415	651,107	306,185
The direct parent company	61,461	24,761	49,981	20,643
Other related parties	46,512	-	29,516	25,680
	<u>\$ 1,864,650</u>	<u>\$ 573,475</u>	<u>\$ 1,595,195</u>	<u>\$ 423,601</u>

	<u>March 31, 2023</u>	
	Total contract amount (Tax excluded)	Amount requested for progress of works
Ruentex Development	\$ 881,062	\$ 111,762
Ruentex Innovative Development	691,980	29,638
The direct parent company	43,711	17,739
Fellow subsidiary	55,713	1,846
Other related parties	<u>25,731</u>	<u>17,120</u>
	<u>\$ 1,698,197</u>	<u>\$ 178,105</u>

5. Balance of accounts payable from related parties

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes payable:			
– The direct parent company	\$ 1,212	\$ 391	\$ 664
– Fellow subsidiary	9	-	-
– Other related parties	<u>216</u>	<u>330</u>	<u>-</u>
	<u>\$ 1,437</u>	<u>\$ 721</u>	<u>\$ 664</u>
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Accounts payable:			
– The direct parent company	<u>\$ 4,637</u>	<u>\$ 2,058</u>	<u>\$ 1,962</u>
Other payables (Note):			
– The ultimate parent company	\$ 5	\$ 8	\$ 7
– The direct parent company	376	-	5
- Fellow subsidiary	200	200	-
- Other related parties	<u>257</u>	<u>410</u>	<u>380</u>
	<u>\$ 838</u>	<u>\$ 618</u>	<u>\$ 392</u>

Note: Mainly due to insurance premiums, rents, management fees, and electricity fees payable.

6. Property transactions

Real estate, 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 user license was obtained in July 2024 for a total contract amount of NT\$8,175. As of March 31, 2024, the purchase price has not yet been paid.

7. Lease transactions - Lessee/rent expenses

Rent expenses of short-term lease contracts

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Fellow subsidiary	\$ 514	\$ -
Other related parties	<u>55</u>	<u>55</u>
	<u>\$ 569</u>	<u>\$ 55</u>

8. The Company and the direct parent company signed and entered into a renewed 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). The processing expenses recognized for the three months ended March 31, 2024 and 2023 were both NT\$3,600.

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). The processing expenses recognized for the three months ended March 31, 2024 and 2023 were both NT\$1,896.

10. Status of endorsements and guarantees provided by related parties to the Group

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
The direct parent company	<u>\$ 88,368</u>	<u>\$ 88,368</u>	<u>\$ 88,368</u>
Key management personnel	<u>\$ 6,300,000</u>	<u>\$ 6,300,000</u>	<u>\$ 6,000,000</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 March 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>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Wages and salaries and short-term employee benefits	\$ 19,275	\$ 17,362
Post-employment benefits	<u>265</u>	<u>239</u>
Total	<u>\$ 19,540</u>	<u>\$ 17,601</u>

VIII. Pledged Assets

The Group's Assets pledged as collateral are as follows:

Asset items	<u>Carrying amount</u>			
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	
Other financial assets-current (listed as Other Current Assets)	\$ 8,814	\$ 16,960	\$ 29,496	For guarantee purpose Performance bond
Property, plant, and equipment	1,520,782	1,527,041	1,546,161	Long-term borrowings and guarantee quota Performance bond
Other financial assets - non-current (listed as "other non-current assets")	<u>91,856</u>	<u>91,856</u>	<u>91,819</u>	
	<u>\$ 1,621,452</u>	<u>\$ 1,635,857</u>	<u>\$ 1,667,476</u>	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

Please refer to Note 6(7).

(II) Commitments

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

1. As of March 31, 2024, the total amount of the construction and decoration contracts entered into by the Group for construction projects was NT\$1,832,366. Amounts of NT\$1,126,879 have been paid, and the remainder will be paid based on the stage of completion.
2. As of March 31, 2024, the amounts of letters of credit issued by the Group but not yet used are EUR 106 thousand, respectively.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Other than those described in Note 4(3), there were no other significant events after the period.

XII. Others

(I) Capital management

The Group's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell assets in order to adjust to reach the most suitable capital structure. The Group uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the net debt by the total capital. The net liabilities is equal to total borrowings (including "current and non-current borrowings" on the consolidated financial statements) deducting cash and cash equivalents. Total capital is the "equity" stated on the consolidated balance sheet plus net liabilities.

The strategy in 2024 of the Group maintained the same strategy of 2023. The Group's debt ratios as of March 31, 2024, December 31, 2023, and March 31, 2023 were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Total borrowings	\$ 3,420,000	\$ 3,520,000	\$ 3,650,000
Less: Cash and cash equivalents	(596,231)	(300,262)	(439,076)
Net debt	2,823,769	3,219,738	3,210,924
Total equity	2,640,299	2,603,449	2,436,863
Total capital	<u>\$ 5,464,068</u>	<u>\$ 5,823,187</u>	<u>\$ 5,647,787</u>
Debt-to-total-capital ratio	51.68%	55.29%	56.85%

(II) Financial instruments

1. Type of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
Financial assets at amortized cost			
Cash and cash equivalents	\$ 596,231	\$ 300,262	\$ 439,076
Financial assets measured by amortized cost - current	-	-	75,360
Notes receivable (including related parties)	150,665	173,990	134,771
Accounts receivable	781,010	1,117,559	665,593

(including related parties)			
Other receivables	3,365	4,286	793
Refundable deposits (listed as other non-current assets)	23,598	23,648	23,371
Other financial assets (listed as other current assets and other non-current assets)	100,670	108,816	121,315
Financial Assets at fair value through other comprehensive income acquired			
Equity instrument investments by the option to designate	589,399	638,199	563,178
	<u>\$ 2,244,938</u>	<u>\$ 2,366,760</u>	<u>\$ 2,023,457</u>
	March 31, 2024	December 31, 2023	March 31, 2023
Financial liabilities			
Financial liabilities measured at amortized cost - short-term borrowings	\$ 400,000	\$ 750,000	\$ 800,000
Short-term notes and bills payable	319,983	269,936	99,982
Notes payable (including related parties)	167,604	137,298	86,873
Accounts payable (including related parties)	721,862	742,545	622,815
Other payables (including related parties)	174,262	240,433	162,151
Long-term borrowings (including due within one year or one operating cycle)	2,700,000	2,500,000	2,750,000
Guarantee deposits received (listed as other non-current liabilities)	7,541	7,541	7,562
	<u>\$ 4,491,252</u>	<u>\$ 4,647,753</u>	<u>\$ 4,529,383</u>
Lease liabilities - current and non-current	\$ 44,638	\$ 38,147	\$ 45,048

2. Risk management policies

- (1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) Risk management work is executed by the Group's Financial Department according to the policies approved by the Board of Directors. Through close cooperation with the various operating units of the Group, the Group's Financial Department is responsible for the identification, evaluation, and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

- A. The Group's risk management's objective is to manage currency exchange risk, interest risk, credit risk, and liquidity risk regarding operating activities. To reduce relevant financial risks, the Group is devoted to identifying, evaluating, and circumventing market uncertainties to mitigate the potential negative impacts on the company's financial performance due to market movements.
- B. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be affected by exchange rate fluctuations is as follow:

March 31, 2024						
(Foreign currency: Functional currency)	Amount in foreign currency	Measurement at end of period	Carrying amount	<u>Sensitivity analysis</u>		
				<u>Range of variation</u>	<u>Effects on profit and loss</u>	
Financial assets - Monetary items	<u>(NT\$ Thousand)</u>	<u>Exchange rate</u>	<u>(NT\$)</u>			
USD:NTD	\$ 29	32.00	\$ 928	1%	\$	9
Financial liabilities - Monetary items						
USD:NTD	28	32.00	896	1%		9

December 31, 2023					
(Foreign currency: Functional currency)	Amount in foreign currency (NT\$ Thousand)	Measurement at end of period <u>Exchange rate</u>	Carrying amount (NT\$)	<u>Sensitivity analysis</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

March 31, 2023					
(Foreign currency: Functional currency)	Amount in foreign currency (NT\$ Thousand)	Measurement at end of period <u>Exchange rate</u>	Carrying amount (NT\$)	<u>Sensitivity analysis</u>	
				<u>Range of variation</u>	<u>Effects on profit and loss</u>
Financial assets - Monetary items					
USD:NTD	\$ 23	30.45	\$ 700	1%	\$ 7
Financial liabilities - Monetary items					
USD:NTD	664	30.45	20,219	1%	202
EUR:NTD	40	33.15	1,326	1%	13

C. Foreign exchange risk has significant impact on the Group, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were gains of NT\$60 and losses of NT\$2,010, for the three months ended on March 31, 2024 and 2023, respectively.

Price risk

- A. The Group's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of

investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, other comprehensive income due to classification to gains or losses of equity investments at fair value through other comprehensive income for the three months ended on March 31, 2024 and 2023 would have increased/decreased by NT\$5,894 and NT\$5,632, respectively.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises from short- and long-term borrowings with floating interest rates that expose the Group to cash flow interest rate risk. For the three months ended on March 31, 2024 and 2023, the Group's borrowings issued at variable rates were mostly denominated in the New Taiwan Dollar.
- B. The borrowing of the Group was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Group is exposed to the risk of future market interest rate changes.
- C. If interest rates on borrowings had been 0.1% higher or lower with all other variables held constant, profit after income tax for the periods from January 1 to March 31, 2024 and 2023 would have decreased/increased by NT\$620 and NT\$710, respectively, due to change of interest expenses of borrowings at the variable interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to counterparties' inability to repay the accounts payable according to the payment terms.
- B. The Group established management of credit risk from the Group's perspective. According to the internally specified credit extension policy, before each operating entity and each new customer establish the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.
- C. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.
- D. The Group uses IFRS 9 to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial

recognition. When the contractual payments are overdue from the payment terms for more than 30 days, it is deemed that the credit risks of the financial instrument significantly have increased since the initial recognition.

- E. The Group classifies the accounts payable of customers according to the characteristics of customer type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.
- F. After the collection procedures, the amount of financial assets that cannot be reasonably estimated will be written-off. However, the Group will continue to pursue the legal right of recourse to protect its claims.
- G. The Group used the forecasting ability of the Taiwan Institute of Economic Research report to adjust historical and timely information to assess the default possibility and estimate impairment provisions for accounts receivable (including related parties) and contract assets (including related parties). As of March 31, 2024, December 31, 2023 and March 31, 2023, the loss rate methodology is as follows:

	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>March 31, 2024</u>			
Expected loss	0.01%~0.03%	0.50%~100%	
Total carrying amount	<u>\$ 926,408</u>	<u>\$ 277,361</u>	<u>\$ 1,203,769</u>
Allowance for losses	<u>\$ 93</u>	<u>\$ 5,793</u>	<u>\$ 5,886</u>

	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>December 31, 2023</u>			
Expected loss	0.01~0.03%	0.52~100%	
Total carrying amount	<u>\$ 1,187,126</u>	<u>\$ 315,314</u>	<u>\$ 1,502,440</u>
Allowance for losses	<u>\$ 92</u>	<u>\$ 7,052</u>	<u>\$ 7,144</u>

	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>March 31, 2023</u>			
Expected loss	0.01~0.03%	0.28%~100%	
Total carrying amount	<u>\$ 870,742</u>	<u>\$ 218,643</u>	<u>\$ 1,089,385</u>
Allowance for losses	<u>\$ 91</u>	<u>\$ 3,875</u>	<u>\$ 3,966</u>

Group 1: Sales counterparty established for 10 years and more, or accounts receivables arising from transactions with related parties and contracts

for public construction or to debtors who have high probability of performing the payment financially.

Group 2: Sales counterparty established for less than 10 years, or those who have general payment performance ability.

H. The accounts receivable allowance loss change table under the simplified approach of the Group is as follows:

	<u>2024</u>	<u>2023</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 7,144	\$ 3,527
Provision of impairment loss	-	439
Reversal of impairment loss	(1,258)	-
March 31	<u>\$ 5,886</u>	<u>\$ 3,966</u>

(3) Liquidity risk

A. Cash flow forecasting is performed by each of the operating entities of the Group and aggregated by the Finance Department. The Department also monitors the projections for the Group's need for funds to ensure that there is sufficient funding to support operating requirements.

B. For the remaining cash held by each of the operating entities, when it exceeds the management needs of operating capital, it then invests the remaining capital in the savings deposit with interest and equivalent cash - short-term notes and bills, etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level.

C. Details of the loan credit not yet drawn down by the Group are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Due within one year	\$ 1,100,000	\$ 800,000	\$ 794,074
Due longer than one year	971,696	1,067,185	591,833
	<u>\$ 2,071,696</u>	<u>\$ 1,867,185</u>	<u>\$ 1,385,907</u>

D. The table below analyzes the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Derivative financial liabilities are analyzed on the remaining period at the balance sheet date

to the expected maturity date. The amounts disclosed in the following table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

March 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	\$ 400,000	\$ -	\$ -
Short-term notes and bills payable (Note)	320,000	-	-
Notes payable (including related parties)	166,754	850	-
Accounts payable (including related parties)	230,540	378,835	112,487
Other payables (including related parties)	142,366	16,604	15,292
Lease liabilities - current (Note)	20,148	10,178	-
Long-term borrowings (Note)	11,930	34,455	2,720,521
Lease liabilities - non-current (Note)	-	-	14,666
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541

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

Non-derivative financial liabilities:

December 31, 2023	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 750,000	\$ -	\$ -
Short-term notes and bills payable (Note)	270,000	-	-
Notes payable (including related parties)	136,384	914	-
Accounts payable (including related parties)	259,772	383,553	99,220
Other payables (including related parties)	194,604	30,429	15,400
Lease liabilities - current (Note)	9,353	11,133	-
Long-term borrowings (Note)	11,061	33,183	2,524,684
Lease liabilities - non-current (Note)	-	-	18,095

Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541
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Note: The amount includes the expected interest to be paid in the future.

Non-derivative financial liabilities:

March 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	\$ 800,000	\$ -	\$ -
Short-term notes and bills payable (Note)	100,000	-	-
Notes payable (including related parties)	85,799	1,074	-
Accounts payable (including related parties)	227,155	340,652	55,008
Other payables (including related parties)	147,358	12,172	2,621
Lease liabilities - current (Note)	9,369	9,491	-
Long-term borrowings (including due within one year or one operating cycle) (Note)	12,653	186,598	2,622,897
Lease liabilities - non-current (Note)	-	-	26,848
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,562

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

(III) Fair value information

- The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical Assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments other than those measured at fair value

The carrying amount of the Group's cash and cash equivalents and the financial instruments measured at amortized cost, including notes receivable (including related parties), accounts receivable (including related parties), other receivables, other financial assets, guarantee deposits paid, short-term borrowings, short-term notes payable, notes payable (including related parties), accounts payable (including related parties), other payables (including related parties), other long-term borrowings, and guarantee deposits received are approximate to their fair values.

3. The related information of financial and non-financial instruments measured at fair value by level on the basis of the natures, characteristic and risk, and fair value of the assets is as follows:

March 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>\$ 589,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 589,399</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>\$ 638,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,199</u>
March 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>\$ 563,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 563,178</u>

4. The Group's financial instruments are traded in active markets, their fair value is measured based on the market quotation at the end of the balance sheet date. The market is deemed to be an active market when the quotation can be obtained instantly and regularly from the stock exchange, dealer, broker, industry, rating agencies, and regulatory body, and that the quotation represents the actual and regular market transactions conducted under the basis of a normal transaction. The market price of the financial assets held by the Group is the closing market price. These instruments belong to Level 1. Level 1 instruments are mainly equity instruments. Their classification is financial assets at fair value through other comprehensive income.
5. There was no transfer between the Level 1 and the Level 2 fair values for the periods from January 1 to March 31, 2024 and 2023.

(IV) Others

Based on the Company's past greenhouse gas emissions, it is expected that the amount of greenhouse gas emission will reach the collection threshold in 2024 and will be required to pay the carbon fee.

XIII. Separately Disclosed Items

(I) Information on significant transactions

1. Loans to others: None.
2. Endorsement/guarantee provided for others: None.
3. Holding of marketable securities at the end of the period (not including subsidiaries): Please refer to Table 1.
4. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 2.
8. 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 \$1,000 thousand or more for the three months ended on March 31, 2024.

(2) Information on investees

Names, locations, and other information of investees: Please refer to Table 3.

(3) Information regarding investment in China

None.

(4) Information on main investors

Please refer to Table 4.

XIV. Information on operating segments

(I) General information

The Group's management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

(II) Information on Departments

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

	January 1 to March 31, 2024			Total
	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	
External revenue	\$ 550,266	\$ 555,989	\$ 412,693	\$ 1,518,948
Internal departmental revenue	-	1,947	1,595	3,542
Departmental revenue	<u>\$ 550,266</u>	<u>\$ 557,936</u>	<u>\$ 414,288</u>	<u>\$ 1,522,490</u>
Net operating profit from the segment	<u>\$ 40,274</u>	<u>\$ 23,310</u>	<u>\$ 56,082</u>	<u>\$ 119,666</u>
Segment income (loss) includes:				
Depreciation expense	\$ 57,734	\$ 12,952	\$ 2,441	\$ 73,127
Amortization	185	1,819	49	2,053
	<u>\$ 57,919</u>	<u>\$ 14,771</u>	<u>\$ 2,490</u>	<u>\$ 75,180</u>

	<u>January 1 to March 31, 2023</u>			
	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
External revenue	\$ 497,340	\$ 399,533	\$ 268,947	\$ 1,165,820
Internal departmental revenue	-	1,469	-	1,469
Departmental revenue	<u>\$ 497,340</u>	<u>\$ 401,002</u>	<u>\$ 268,947</u>	<u>\$ 1,167,289</u>
Net operating profit from the segment	<u>\$ 7,686</u>	<u>\$ 273</u>	<u>\$ 25,046</u>	<u>\$ 33,005</u>
Segment income (loss) includes:				
Depreciation expense	\$ 44,252	\$ 11,695	\$ 2,084	\$ 58,031
Amortization	<u>240</u>	<u>1,857</u>	<u>51</u>	<u>2,148</u>
	<u>\$ 44,492</u>	<u>\$ 13,552</u>	<u>\$ 2,135</u>	<u>\$ 60,179</u>

(III) Reconciliation for segment income (loss)

When the Chief Operating Decision-Maker of the Group evaluates the segment performance and allocates resources, the foundation for the judgement is based on the net operating profit. Reconciliation for current net operating profit/income before tax from the reportable segment is as follows:

	<u>January 1 to March 31, 2024</u>	<u>January 1 to March 31, 2023</u>
Net operating profit from the segment	\$ 119,666	\$ 33,005
Interest revenue	955	904
Interest Cost	(15,419)	(16,346)
Other items	<u>229</u>	<u>1,961</u>
Net income before tax from the segment	<u>\$ 105,431</u>	<u>\$ 19,524</u>

Ruentex Materials Co., Ltd. and its subsidiaries

Securities held at the end of the period (not including investments in subsidiaries, associates and jointly controlled entities)

March 31, 2024

Attached Table 1

Unit: NT\$ thousands

<u>Company holding the securities</u>	<u>Type and name of the securities</u> (Note 1)	<u>Relationship with the securities issuer</u> (Note 2)	<u>Account recognized</u>	<u>Number of shares</u>	<u>End of the period</u>		<u>Shareholding percentage</u>	<u>Fair value</u>	<u>Remark</u> (Note 4)
					<u>Carrying amount (Note 3)</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	\$ 427,693		0.65	\$ 427,693	
	Shares of OBI Pharma, Inc.	Substantive related party of the Company	Financial assets at fair value through other comprehensive income - non-current	117,337	7,357		0.05	7,357	
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	154,349		0.24	154,349	

Note 1: Securities indicated in the Table refer to shares, bonds, beneficiary certificates and securities derived from the items mentioned above within the scope of IFRS No.9.

Note 2: Not required to be filled in for the issuers of securities that are not related parties.

Note 3: Please fill in the value carried at adjusted fair value less accumulated impairment losses for those measured at fair value and the value varied at acquisition cost or amortized cost less accumulated impairment losses for those not measured at fair value.

Note 4: The securities listed that are limited to their use due to the provision of security, pledge loans or others in accordance with the contract shall indicate the number of shares provided for guarantee or pledge, the amount of guarantee or pledge and the limits on the use in the in the column of "Remarks".

Ruentex Materials Co., Ltd. and its subsidiaries

Total purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital

January 1 to March 31, 2024

Attached Table 2

Unit: NT\$ thousands

(Except as Otherwise Indicated)

<u>The company making the purchase (sale) of goods</u>	<u>Name of counterparty</u>	<u>Relationship</u>	<u>Purchase (sale) of goods</u>	<u>Amount</u>	<u>As a percentage of total purchases (sales) of goods (Note 4)</u>	<u>Credit period</u>	<u>Unit price</u>	<u>Credit period</u>	<u>Balance</u>	<u>Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)</u>	<u>Notes receivable/payable and accounts receivable/payable</u>	<u>Remark (Note 2)</u>
											<u>As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)</u>	
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	Project solicitation	\$ 101,754	24.31	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	\$ 63,878		39.42	

Note 1: If the terms and conditions of transaction with the related parties are different from the general terms and conditions of transaction, the difference and the reason for any such difference shall be specified in the column of unit price and the credit period.

Note 2: In the case of prepayments in advance (or advance receipts), the reasons, the terms and conditions of the contract, the amount and the difference between the general type of transactions shall be specified in the column of Remarks.

Note 3: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT\$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Note 4: Calculate from the perspective of the entity of the company making the purchase (sale) of goods.

Ruentex Materials Co., Ltd. and its subsidiaries

The name of the invested company, the location and other relevant information (excluding the invested companies in China)

January 1 to March 31, 2024

Attached Table 3

Unit: NT\$ thousands

<u>Name of the investing company</u>	<u>Type and name of the securities</u>	<u>Location</u>	<u>Main business items</u>	<u>Original investment amount</u>		<u>Holding at the end of period</u>		<u>Carrying amount</u>	<u>Current profit and loss of the investee company</u>	<u>Gains and losses on investment recognized for the current period</u>	<u>Remark</u>
				<u>End of the current period</u>	<u>End of last year</u>	<u>Shares</u>	<u>Percentage</u>				
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Interior design	\$ 126,721	\$ 126,721	4,750,000	35.19	\$ 185,937	\$ 42,690	\$ 15,020	Subsidiaries

Ruentex Materials Co., Ltd. and its subsidiaries

Information on main investors

March 31, 2024

Attached Table 4

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