

Ruentex Materials Co., Ltd. and its subsidiaries  
Consolidated Financial Statements for the Nine  
Months Ended September 30, 2024 and 2023 and  
Independent Auditors' Review Report  
(Stock Code: 8463)

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

Ruentex Materials Co., Ltd. and its subsidiaries  
Consolidated Financial Statements for the Nine Months Ended September 30, 2024 and  
2023 and Independent Auditors' Review Report  
Contents

Item	Page
I. Cover page	1
II. Table of Contents	2 ~ 3
III. Report of Independent Accountants	4
IV. Consolidated Balance Sheet	5 ~ 6
V. Consolidated Statements of Comprehensive Income	7
VI. Consolidated Statements of Changes in Equity	8
VII. Consolidated Statements of Cash Flows	9 ~ 10
VIII. Notes to the Consolidated Financial Statements	11 ~ 70
(I) History and Organization	11
(II) Date and Procedure for Approval of Financial Statements	11
(III) Application of New Standards, Amendments and Interpretations	11 ~ 14
(IV) Summary of Significant Accounting Policies	14 ~ 18
(V) Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty	18
(VI) Details of Significant Accounts	18 ~ 49
(VII) Transaction with Related Parties	50 ~ 56

Item	Page
(VIII) Pledged Assets	56
(IX) Significant Contingent Liabilities and Unrecognized Commitments	56 ~ 57
(X) Significant Disaster Loss	57
(XI) Significant subsequent events	57
(XII) Others	57 ~ 68
(XIII) Separately Disclosed Items	68
(XIV) Information on operating segments	69 ~ 70

## Independent Auditors' Review Report

(2024) Cai-Shen-Bao-Zi No. 24002103

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”) as of September 30, 2024 and 2023, the consolidated comprehensive income statements for the three and nine months ended September 30, 2024 and 2023, and consolidated statements of changes in equity and of consolidated statement of cash flows for the nine months ended September 30, 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 September 30, 2024 and 2023, consolidated financial performance for the three and nine months ended September 30, 2024 and 2023, and consolidated cash flows for the nine months ended September 30, 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

November 11, 2024

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
September 30, 2024 and December 31 and September 30, 2023

Unit: NT\$ thousands

			September 30, 2024		December 31, 2023		September 30, 2023				
			Amount	%	Amount	%	Amount	%			
Assets											
Notes											
Current Assets											
1100	Cash and cash equivalents	6(1)	\$	934,611	11	\$	300,262	4	\$	246,277	4
1140	Contract asset - current	6(17) and 7		680,242	8		377,737	5		580,278	8
1150	Net notes receivable	6(2)		224,638	3		168,487	2		156,706	2
1160	Notes receivable - related parties - net	6(2) and 7		35,715	1		5,503	-		11,518	-
1170	Net Accounts receivable	6(2)		752,215	9		869,557	12		634,233	9
1180	Accounts receivable - related parties - net	6(2) and 7		46,702	1		248,002	3		153,188	2
1200	Other receivables			2,291	-		4,286	-		5,471	-
1220	Current tax assets			87	-		87	-		87	-
130X	Inventories	6(3)		710,629	9		732,818	10		731,890	10
1410	Prepayments			29,668	-		37,708	1		30,678	1
1470	Other current assets	6(1) and 8		20,410	-		16,966	-		6,969	-
11XX	Total current assets			3,437,208	42		2,761,413	37		2,557,295	36
Non-current assets											
1517	Financial assets at fair value through other comprehensive income - non-current	6(4)		773,216	9		638,199	9		585,727	8
1600	Property, plant, and equipment	6(5), 7 and 8		3,712,119	45		3,671,253	50		3,679,166	51
1755	Right-of-use assets	6(6)		41,573	1		31,851	-		35,649	1
1780	Intangible assets	6(7)		165,101	2		170,274	2		168,560	2
1840	Deferred tax assets			30,637	-		32,286	-		32,437	-
1900	Other non-current assets	6 (1), 7 and 8		117,559	1		116,346	2		115,480	2
15XX	Total non-current assets			4,840,205	58		4,660,209	63		4,617,019	64
1XXX	Total Assets		\$	8,277,413	100	\$	7,421,622	100	\$	7,174,314	100

(Continued)

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated Balance Sheet  
September 30, 2024 and December 31 and September 30, 2023

Unit: NT\$ thousands

Liabilities and Equity			September 30, 2024		December 31, 2023		September 30, 2023	
			Notes	Amount	%	Amount	%	Amount
Current liabilities								
2100	Short-term borrowings	6(8) and 8	\$	650,000	8	\$	750,000	10
2110	Short-term notes and bills payable	6(9)		469,899	6		269,936	4
2130	Contract liabilities - current	6(17) and 7		61,225	1		50,352	1
2150	Notes payable			146,965	2		136,577	2
2160	Notes payable - related party	7		857	-		721	-
2170	Accounts payable			1,101,274	13		740,487	10
2180	Accounts payable - related party	7		3,303	-		2,058	-
2200	Other payables	6(10)		243,252	3		239,815	3
2220	Other Payable - related party	7		760	-		618	-
2230	Income tax liabilities of current period			28,428	-		43,489	-
2280	Lease liabilities - current	6(6)		24,365	-		20,174	-
2320	Long-term liabilities due within one year or one operating cycle	6(11) and 8		400,000	5		-	-
2399	Other current liabilities - other			6,971	-		4,481	-
21XX	Total current liabilities			3,137,299	38		2,258,708	30
Non-current liabilities								
2540	Long-term borrowings	6(11) and 8		2,000,000	24		2,500,000	34
2570	Deferred tax liabilities			7,181	-		3,436	-
2580	Lease liabilities - non-current	6(6)		18,890	-		17,973	-
2600	Other non-current liabilities			38,507	1		38,056	1
25XX	Total non-current liabilities			2,064,578	25		2,559,465	35
2XXX	Total Liabilities			5,201,877	63		4,818,173	65
Equity								
Equity attributed to owners of the parent								
Capital								
3110	Share capital	6(14)		1,500,000	18		1,500,000	20
Capital surplus								
3200	Capital surplus	6(15)		746,018	8		677,124	9
Retained earnings								
3310	Legal reserve	6(16)		62,246	1		50,770	1
3320	Special reserve			55,895	1		50,317	1
3350	Undistributed earnings			143,833	2		114,756	2
Other equities								
3400	Other equities		(	2,165)	-	(	111,752)	(
31XX	Total equity attributable to owners of parent			2,505,827	30		2,281,215	31
36XX	Non-controlling interest	4(3)		569,709	7		322,234	4
3XXX	Total Equity			3,075,536	37		2,603,449	35
Significant contingent liabilities and unrecognized commitments								
Significant subsequent events								
3X2X	Total Liabilities and Equity	11	\$	8,277,413	100	\$	7,421,622	100

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 Comprehensive Income  
January 1 to September 30, 2024 and 2023

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

	Item	Notes	July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating Income	6(17) and 7	\$ 1,743,436	100	\$ 1,398,749	100	\$ 4,814,285	100	\$ 3,879,812	100
5000	Operation Cost	6(3)(7) (12) (18) (23) (24) and 7	( 1,528,588)	( 88)	( 1,234,438)	( 88)	( 4,214,232)	( 87)	( 3,441,091)	( 89)
5900	Gross profit		<u>214,848</u>	<u>12</u>	<u>164,311</u>	<u>12</u>	<u>600,053</u>	<u>13</u>	<u>438,721</u>	<u>11</u>
	Operating Expenses	6(7)(12) (23) (24) and 7	( 93,042)	( 5)	( 82,368)	( 6)	( 277,049)	( 6)	( 234,154)	( 6)
6100	Selling expenses		( 29,237)	( 2)	( 24,924)	( 2)	( 86,105)	( 2)	( 67,658)	( 2)
6200	General & administrative expenses		( 46,356)	( 2)	( 43,487)	( 3)	( 145,065)	( 3)	( 128,228)	( 3)
6300	R&D expenses		( 13,151)	( 1)	( 12,349)	( 1)	( 39,542)	( 1)	( 35,170)	( 1)
6450	Expected credit impairment losses	12(2)	( 4,298)	-	( 1,608)	-	( 6,337)	-	( 3,098)	-
6000	Total Operating Expenses		( 93,042)	( 5)	( 82,368)	( 6)	( 277,049)	( 6)	( 234,154)	( 6)
6900	Operating Profit		<u>121,806</u>	<u>7</u>	<u>81,943</u>	<u>6</u>	<u>323,004</u>	<u>7</u>	<u>204,567</u>	<u>5</u>
	Non-operating Income and Expenses									
7100	Interest revenue	6(19)	2,382	-	818	-	5,107	-	2,798	-
7010	Other income	6(20)	24,776	1	20,026	1	25,374	-	24,501	1
7020	Other gains and losses	6(21)	( 212)	-	( 324)	-	( 499)	-	( 2,424)	-
7050	Financial Costs	6(22)	( 16,513)	( 1)	( 16,013)	( 1)	( 47,832)	( 1)	( 48,787)	( 1)
7000	Total non-operating income and expenses		<u>10,433</u>	<u>-</u>	<u>4,507</u>	<u>-</u>	<u>( 17,850)</u>	<u>( 1)</u>	<u>( 23,912)</u>	<u>-</u>
7900	Net profit before tax		<u>132,239</u>	<u>7</u>	<u>86,450</u>	<u>6</u>	<u>305,154</u>	<u>6</u>	<u>180,655</u>	<u>5</u>
7950	Income tax expense	6(25)	( 21,531)	( 1)	( 13,384)	( 1)	( 54,563)	( 1)	( 28,629)	( 1)
8200	Net income of current period		<u>\$ 110,708</u>	<u>6</u>	<u>\$ 73,066</u>	<u>5</u>	<u>\$ 250,591</u>	<u>5</u>	<u>\$ 152,026</u>	<u>4</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)	\$ 97,811	6	( \$ 15,560)	( 1)	\$ 135,017	3	( \$ 59,296)	( 2)
8349	Income tax relating to non-reclassified items	6(25)	( 2,669)	-	382	-	( 3,732)	-	1,689	-
8310	Total of items not to be reclassified into profit or loss		<u>95,142</u>	<u>6</u>	<u>( 15,178)</u>	<u>( 1)</u>	<u>131,285</u>	<u>3</u>	<u>( 57,607)</u>	<u>( 2)</u>
8500	Total comprehensive income for the current period		<u>\$ 205,850</u>	<u>12</u>	<u>\$ 57,888</u>	<u>4</u>	<u>\$ 381,876</u>	<u>8</u>	<u>\$ 94,419</u>	<u>2</u>
	Profit attributable to:									
8610	Owners of the parent		<u>\$ 64,043</u>	<u>3</u>	<u>\$ 39,087</u>	<u>3</u>	<u>\$ 143,631</u>	<u>3</u>	<u>\$ 81,218</u>	<u>2</u>
8620	Non-controlling Interest		<u>\$ 46,665</u>	<u>3</u>	<u>\$ 33,979</u>	<u>2</u>	<u>\$ 106,960</u>	<u>2</u>	<u>\$ 70,808</u>	<u>2</u>
	Comprehensive Income attributed to:									
8710	Owners of the parent		<u>\$ 143,607</u>	<u>8</u>	<u>\$ 26,019</u>	<u>2</u>	<u>\$ 253,218</u>	<u>5</u>	<u>\$ 32,958</u>	<u>-</u>
8720	Non-controlling Interest		<u>\$ 62,243</u>	<u>4</u>	<u>\$ 31,869</u>	<u>2</u>	<u>\$ 128,658</u>	<u>3</u>	<u>\$ 61,461</u>	<u>2</u>
	Earnings per share	6(26)								
9750	Basic earnings per share		<u>\$ 0.43</u>		<u>\$ 0.26</u>		<u>\$ 0.96</u>		<u>\$ 0.54</u>	
9850	Diluted earnings per share		<u>\$ 0.43</u>		<u>\$ 0.26</u>		<u>\$ 0.96</u>		<u>\$ 0.54</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 Changes in Equity  
January 1 to September 30, 2024 and 2023

Unit: NT\$ thousands

Equity attributed to owners of the parent												Unit: RMB thousands
	Notes	Capital surplus			Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired	Total	Non-controlling Interest	Total Equity	
		Share capital	Issued at premium	Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Legal reserve	Special reserve					Undistributed earnings
<b>January 1 to September 30, 2023</b>												
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		-	-	-	-	-	-	81,218	-	81,218	70,808	152,026
Other comprehensive income		-	-	-	-	-	-	-	( 48,260 )	( 48,260 )	( 9,347 )	( 57,607 )
Total comprehensive income for this period		-	-	-	-	-	-	81,218	( 48,260 )	32,958	61,461	94,419
Appropriation and distribution of the earnings for 2022:	6(16)											
Profit set aside as legal reserve		-	-	-	-	3,845	-	( 3,845 )	-	-	-	-
Provision of special reserves		-	-	-	-	-	34,600	( 34,600 )	-	-	-	-
Distribution of cash dividends from capital surplus	6(16)	-	( 34,500 )	-	-	-	-	-	-	( 34,500 )	-	( 34,500 )
Cash dividends for non-controlling interests		-	-	-	-	-	-	-	-	-	( 65,625 )	( 65,625 )
Balance on September 30, 2023		\$ 1,500,000	\$ 621,657	\$ 15,076	\$ 40,391	\$ 50,770	\$ 50,317	\$ 81,218	(\$ 154,434 )	\$ 2,204,995	\$ 289,199	\$ 2,494,194
<b>January 1 to September 30, 2024</b>												
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		-	-	-	-	-	-	143,631	-	143,631	106,960	250,591
Other comprehensive income		-	-	-	-	-	-	-	109,587	109,587	21,698	131,285
Total comprehensive income for this period		-	-	-	-	-	-	143,631	109,587	253,218	128,658	381,876
Appropriation and distribution of the earnings for 2023:	6(16)											
Profit set aside as legal reserve		-	-	-	-	11,476	-	( 11,476 )	-	-	-	-
Provision of special reserves		-	-	-	-	-	5,578	( 5,578 )	-	-	-	-
Cash dividends		-	-	-	-	-	-	( 97,500 )	-	( 97,500 )	-	( 97,500 )
Changes in ownership interests in subsidiaries	4(3) and 6(27)	-	-	-	68,894	-	-	-	-	68,894	211,067	279,961
Cash dividends for non-controlling interests		-	-	-	-	-	-	-	-	-	( 92,250 )	( 92,250 )
Balance on September 30, 2024		\$ 1,500,000	\$ 621,657	\$ 15,076	\$ 109,285	\$ 62,246	\$ 55,895	\$ 143,833	(\$ 2,165 )	\$ 2,505,827	\$ 569,709	\$ 3,075,536

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 September 30, 2024 and 2023

Unit: NT\$ thousands

	Notes	January 1 to September 30, 2024	January 1 to September 30, 2023
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 305,154	\$ 180,655
Adjustments			
Income and expenses with no cash flow effects			
Depreciation expense	6(5)(6)		
	(23)	212,997	182,436
Depreciation and amortization expenses	6(7)(23)	6,108	6,451
Expected credit impairment losses	12(2)	6,337	3,098
Interest Cost	6(22)	47,832	48,787
Interest revenue	6(19)	( 5,107 )	( 2,798 )
Dividend income	6(20)	( 24,497 )	( 19,597 )
Compensation cost of employee stock options	6(13)	(24) 1,735	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contract asset - current		( 302,505 )	( 167,605 )
Notes receivable		( 56,151 )	5,598
Notes receivable - related parties		( 30,212 )	( 11,116 )
Accounts receivable		111,005	40,757
Account Receivable - Related Party		201,300	( 74,651 )
Other receivables		3,166	( 5,039 )
Inventories		22,189	( 28,572 )
Prepayments		8,040	( 8,303 )
Other Current Assets		-	( 3 )
Net change in liabilities related to operating activities			
Contract liabilities		10,873	4,148
Notes payable		10,388	8,099
Notes payable - related party		136	( 370 )
Accounts Payable		360,787	88,990
Accounts payable - related party		1,245	823
Other payables		( 13,669 )	( 18,913 )
Other Payable - Related Party		142	( 2 )
Other Current liabilities		2,490	1,030
Other non-Current liabilities		451	( 948 )
Cash flow in from operating		880,234	232,955
Interest received		3,936	2,939
Dividends received		24,497	19,597
Interest paid		( 47,938 )	( 49,311 )
Income tax paid		( 67,962 )	( 24,792 )
Income tax refunded		-	6,005
Cash inflow from operating activities		792,767	187,393

(Continued)

Ruentex Materials Co., Ltd. and Subsidiaries  
Consolidated Statement of Cash Flow  
January 1 to September 30, 2024 and 2023

Unit: NT\$ thousands

	<u>Notes</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets measured at amortized costs - current		\$ -	(\$ 360 )
Disposal of financial assets measured at amortized costs - current		-	75,360
Decrease (increase) in other financial assets - current		( 3,444 )	21,776
Increase in other financial assets - current		( 20 )	( 18 )
Real estate, plant and equipment acquired	6(28)	( 212,194 )	( 254,542 )
Acquisition of intangible assets	6(7)	( 935 )	( 1,701 )
Increase in prepayments for equipment		( 1,533 )	( 13,905 )
Increase in prepaid construction payments	7(3)	( 2,084 )	-
Decrease (increase) in refundable deposits		<u>49</u>	<u>( 293 )</u>
Cash used in investing activities		<u>( 220,161 )</u>	<u>( 173,683 )</u>
<u>Cash flows from financing activities</u>			
Decrease in short-term borrowings	6(29)	( 100,000 )	( 200,000 )
Increase in short-term notes and bills payable	6(29)	200,000	40,000
Proceeds from long-term borrowings	6(29)	200,000	700,000
Repayments of long-term borrowings	6(29)	( 300,000 )	( 850,000 )
Principal elements of lease payments	6(29)	( 26,733 )	( 10,030 )
Decrease in guarantee deposits received	6(29)	-	( 21 )
Cash dividends paid	6(16)	( 97,500 )	( 34,500 )
Changes in non-controlling interest		<u>185,976</u>	<u>( 65,625 )</u>
Net cash inflow (outflow) from financing activities		<u>61,743</u>	<u>( 420,176 )</u>
Net increase (decrease) in cash and cash equivalents		634,349	( 406,466 )
Cash and cash equivalents at the beginning of the period		<u>300,262</u>	<u>652,743</u>
Cash and cash equivalents, end of period		<u>\$ 934,611</u>	<u>\$ 246,277</u>

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

Chairman: Mo, Wei-Han

Manager: Chen, Hsueh-Hsien

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and its subsidiaries  
Notes to Consolidated Financial Statements  
Nine Months Ended September 30, 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 November 11, 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:

New and revised standards, amendments to standards and interpretations	Effective date published by the International Accounting Standards Board
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	January 1, 2024

New and revised standards, amendments to standards and interpretations	Effective date published by the International Accounting Standards Board
Covenants”	
Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”	January 1, 2024

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

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

New standards, interpretations and amendments endorsed by FSC effective from 2025 are as follows:

New and revised standards, amendments to standards and interpretations	Effective date published by the International Accounting Standards Board
Amendments to IAS No. 21 “Lack of Convertibility”	January 1, 2025

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

(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:

New and revised standards, amendments to standards and interpretations	Effective date published by the International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board (IASB)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in of Financial Statements”	January 1, 2027

New and revised standards, amendments to standards and interpretations	Effective date published by the International Accounting Standards Board
IFRS 19 “Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

The amendments are as follows:

- (1) They are to clarify the dates of recognition and derecognition of certain financial assets and liabilities, add that when a financial liability (or part of a financial liability) is settled in cash using an electronic payment system, if and only if an enterprise initiates a payment instruction that results in the following, the enterprise is allowed to have its financial liabilities discharged before the settlement date:
  - A. The enterprise does not have the ability to withdraw, stop, or cancel the payment instruction;
  - B. The enterprise has no actual ability to obtain cash for settlement due to the payment instruction;
  - C. The settlement risk related to the electronic payment system is not significant.
- (2) They are to clarify and add further guidance on assessing whether financial assets meet the SPPI criteria, including contractual terms that change cash flows based on contingencies (e.g., interest rates linked to ESG instruments), non-recourse instruments, and contract-linked tools.
- (3) For new instruments with contractual terms that can change cash flows (such as certain instruments with characteristics related to the achievement of environmental, social and governance (ESG) targets), the nature of the contingencies, quantitative information on the range of changes in contractual cash flows that may result from the terms of those contracts; and the total carrying amount of the financial assets and the amortized cost of the financial liabilities under the terms of those contracts should be disclosed qualitatively.
- (4) It is updated that the fair values of equity instruments designated as at fair value through other comprehensive income through an irrevocable election should be disclosed on a per-category basis without a need to disclose the fair value per instrument. In addition, the amount of fair value gain or loss recognized in other comprehensive income during the reporting period should be disclosed and separately presented in the amount

of fair value gain or loss related to the investments that were derecognized during the reporting period, the amount of fair value gain and loss related to the investments still held at the end of the reporting period; and cumulative gains and losses from investments derecognized during the reporting period and transferred to equity during the reporting period.

## 2. IFRS 18 “Presentation and Disclosure in of Financial Statements”

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

## IV. Summary of Significant Accounting Policies

The 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:

Name of investing company	Name of subsidiary	Business nature	Percentage of shareholding (%)			Description
			September 30, 2024	December 31, 2023	September 30, 2023	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc. (Ruentex Interior of Design)	Design and construction of interior decoration and garden greening	31.66	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.

Note 2: In order to cooperate with the public underwriting before the initial listing on Taipei Exchange by Ruentex Interior Design, a subsidiary of the Company, the board of directors approved by resolution, on March 26, 2024, the cash capital increase by 1,500 thousand shares, with a face value of NT\$10 per share, all of which are ordinary shares. May 17, 2024, was the record date for capital increase, and the registration of the change was completed on June 19, 2024. The Company did not subscribe in proportion to its shareholding, so its shareholding fell to 31.66% and recognized NT\$68,894 in capital surplus - changes in the ownership interests of subsidiaries. Please find Note 6(27) for details of transactions with non-controlling interests.

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			
		September 30, 2024		December 31, 2023	
		Amount	Percentage shareholding	Amount	Percentage shareholding
Ruentex Interior Design	Taiwan	\$ 569,709	68.34%	\$ 322,234	64.81%
Name of subsidiary	Principal Place of Business	September 30, 2023			
		Amount	Percentage shareholding		
Ruentex Interior Design	Taiwan			\$ 289,199	64.81%

Summary of subsidiaries' financial information:

#### Balance Sheets

	Ruentex Interior Design		
	September 30, 2024	December 31, 2023	September 30, 2023
Current Assets	\$ 1,650,598	\$ 1,038,871	\$ 981,220
Non-current assets	227,242	198,648	186,441
Current liabilities	( 1,015,620)	( 706,915)	( 689,640)
Non-current liabilities	( 28,500)	( 33,443)	( 31,829)
Total net assets	\$ 833,720	\$ 497,161	\$ 446,192

#### Statements of Comprehensive Income

	Ruentex Interior Design	
	July 1 to September 30, 2024	July 1 to September 30, 2023
Income	\$ 538,367	\$ 434,365
Net profit before tax	83,687	64,231
Income tax expense	( 15,397)	( 11,807)
Net profit for the period of the continued business unit	68,290	52,424
Other comprehensive income (Net of tax)	22,796	( 3,256)
Total comprehensive income for this period	\$ 91,086	\$ 49,168
Total comprehensive income attributed to non-controlling interest	\$ 62,243	\$ 31,869
Dividends paid to non-controlling interest	\$ -	\$ -



	<u>Ruentex Interior Design</u>	
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Income	\$ 1,415,021	\$ 1,034,790
Net profit before tax	198,068	135,261
Income tax expense	( 38,337)	( 26,015)
Net profit for the period of the continued business unit	159,731	109,246
Other comprehensive income (Net of tax)	31,867	( 14,421)
Total comprehensive income for this period	\$ 191,598	\$ 94,825
Total comprehensive income attributed to non-controlling interest	\$ 128,658	\$ 61,461
Dividends paid to non-controlling interest	\$ 92,250	\$ 65,625
<u>Statements of Cash Flows</u>		

	<u>Ruentex Interior Design</u>	
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net cash inflow (outflow) from operating activities	\$ 465,639	(\$ 38,837)
Net cash inflow (outflow) from investing activities	( 4,462)	84,933
Net Cash Inflow (outflow) from financing activities	137,230	( 107,081)
Net increase (decrease) in cash and cash equivalents	598,407	( 60,985)
Cash and cash equivalents at the beginning of the period	182,917	220,172
Cash and cash equivalents, end of period	\$ 781,324	\$ 159,187

#### (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.

(VI) Employee share-based payment

The equity share-based payment agreement refers to the employees' services obtained by measuring the fair value of the equity instruments given on the grant date and is recognized in remuneration costs during the vesting period with the equity adjusted relatively. The fair value of equity instruments should reflect the effects of vesting and non-vesting conditions related to market prices. The remuneration costs recognized are adjusted as per the amount of remuneration expected to meet the service conditions and non-vesting conditions related to market prices, and the final amount recognized is based on the vested amount on the grant day.

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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Cash on hand and revolving funds	\$ 260	\$ 260	\$ 260
Checking deposits	34,462	27,275	36,768
Demand deposits	91,932	83,929	39,074
Time deposits	401,327	50,585	50,453
Cash equivalents - Bonds under repurchase agreements	406,630	138,213	119,722
	<u>\$ 934,611</u>	<u>\$ 300,262</u>	<u>\$ 246,277</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 September 30, 2024, December 31, 2023, and September 30, 2023 due to guarantees for the performance of contracts were NT\$112,280, NT\$108,816, and NT\$98,797, respectively, of which NT\$20,404, NT\$16,960, and NT\$6,960 were classified as other financial assets - current (recognized in "other current assets") and NT\$91,876, NT\$91,856, and NT\$91,837 were classified as other financial assets - non-current (recognized in "other non-current assets"). Please refer to Note 8.

(II) Notes and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable	\$ 224,638	\$ 168,487	\$ 156,706
Notes Receivable – related party	35,715	5,503	11,518
	<u>\$ 260,353</u>	<u>\$ 173,990</u>	<u>\$ 168,224</u>
Accounts receivable	\$ 765,696	\$ 876,701	\$ 640,858
Less: Allowance for loss	( 13,481)	( 7,144)	( 6,625)
Subtotal	752,215	869,557	634,233
Accounts receivable - related party	46,702	248,002	153,188
	<u>\$ 798,917</u>	<u>\$ 1,117,559</u>	<u>\$ 787,421</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 September 30, 2024, December 31, 2023, and September 30, 2023, the amounts were NT\$89,922, NT\$112,165, and NT\$130,616.
2. The aging analysis of accounts receivable (including related parties) and notes receivable (including related parties) is as follows:

	September 30, 2024		December 31, 2023		September 30, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not overdue	\$ 799,324	\$ 260,353	\$ 1,119,074	\$ 173,990	\$ 783,822	\$ 168,224
Overdue						
Within 30 days	4,175	-	2,338	-	3,232	-
31-60 days	2,179	-	130	-	500	-
61-90 days	897	-	75	-	1,999	-
91 days and more	5,823	-	3,086	-	4,493	-
	<u>\$ 812,398</u>	<u>\$ 260,353</u>	<u>\$ 1,124,703</u>	<u>\$ 173,990</u>	<u>\$ 794,046</u>	<u>\$ 168,224</u>

The aging analysis was based on past due date.

3. The balances of notes and accounts receivable on September 30, 2024, December 31, 2023, and September 30, 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\$260,353, NT\$173,990, and NT\$168,224 for notes receivable as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively; NT\$798,917, NT\$1,117,559, and NT\$787,421 for accounts receivable as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.
5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12(2).

(III) Inventories

September 30, 2024			
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	\$ 452,053	(\$ 2,821)	\$ 449,232
Work in process	149,613	-	149,613
Finished goods	108,978	(128)	108,850
Merchandise inventory	2,934	-	2,934
	<u>\$ 713,578</u>	<u>(\$ 2,949)</u>	<u>\$ 710,629</u>
December 31, 2023			
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	\$ 469,135	(\$ 2,423)	\$ 466,712
Work in process	164,837	-	164,837
Finished goods	94,139	(195)	93,944
Merchandise inventory	7,325	-	7,325
	<u>\$ 735,436</u>	<u>(\$ 2,618)</u>	<u>\$ 732,818</u>
September 30, 2023			
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	\$ 497,129	(\$ 2,254)	\$ 494,875
Work in process	117,036	-	117,036
Finished goods	114,986	(227)	114,759
Merchandise inventory	5,220	-	5,220
	<u>\$ 734,371</u>	<u>(\$ 2,481)</u>	<u>\$ 731,890</u>

Inventory recognized as expenses in the current period:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Cost of inventories sold	\$ 1,097,285	\$ 894,123
Gain from the price recovery of inventory declines	( 3,629)	( 150)
Unallocated manufacturing costs	1,709	1,709
Revenue from sales of scraps	( 728)	( 1,336)
	<u>\$ 1,094,637</u>	<u>\$ 894,346</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Cost of inventories sold	\$ 3,071,921	\$ 2,604,106
Loss on market value decline of inventory	331	1,509
Unallocated manufacturing costs	5,129	5,129
Revenue from sales of scraps	( 4,052)	( 5,656)
	<u>\$ 3,073,329</u>	<u>\$ 2,605,088</u>

The inventories recognized as allowance of loss were sold and market prices recovered during the three months ended September 30, 2024 and 2023. The inventories generated gains from price recovery.

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

<u>Item</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 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	74,291 (	59,951)(	113,843)
Shares of the TPEX listed companies	( 15,950)(	16,725)(	15,305)
	<u>58,341 (</u>	<u>76,676)(</u>	<u>129,148)</u>
Total	<u>\$ 773,216</u>	<u>\$ 638,199</u>	<u>\$ 585,727</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\$764,298, NT\$630,056, and NT\$576,164, as of September 30, 2024, December 31, 2023, and September 30, 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\$8,918, NT\$8,143, and NT\$9,563, as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.
3. Detail of the financial Assets at fair value through other comprehensive income recognized under the comprehensive income is as follows:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
<u>Investments in equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	\$ <u>97,811</u>	(\$ <u>15,560</u> )
Dividend income recognized in profit and loss	\$ <u>24,497</u>	\$ <u>19,597</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>Investments in equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	\$ <u>135,017</u>	(\$ <u>59,296</u> )
Dividend income recognized in profit and loss	\$ <u>24,497</u>	\$ <u>19,597</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\$773,216, NT\$638,199, and NT\$585,727 as of September 30, 2024, December 31, 2023, and September 30, 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	-	4,769	33,640	-	2,578	-	13,930	174,452	229,369
Transfer for current period (Note)	-	3,063	274,818	-	-	-	18,298	( 293,804)	2,375
Costs of disposal	-	-	-	-	( 6)	-	-	-	( 6)
Disposal of accumulated depreciation	-	-	-	-	6	-	-	-	6
Depreciation expense	-	( 33,448)	( 147,723)	( 737)	( 1,971)	( 225)	( 6,774)	-	( 190,878)
September 30	<u>\$ 1,535,961</u>	<u>\$ 897,623</u>	<u>\$ 1,119,297</u>	<u>\$ 3,389</u>	<u>\$ 7,821</u>	<u>\$ 739</u>	<u>\$ 56,921</u>	<u>\$ 90,368</u>	<u>\$ 3,712,119</u>
September 30									
Cost	\$ 1,535,961	\$1,485,492	\$ 2,379,596	\$ 13,969	\$ 18,850	\$ 2,279	\$ 99,225	\$ 90,368	\$ 5,625,740
Accumulated depreciation	-	( 577,538)	( 1,204,858)	( 10,580)	( 11,029)	( 1,540)	( 41,925)	-	( 1,847,470)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 897,623</u>	<u>\$ 1,119,297</u>	<u>\$ 3,389</u>	<u>\$ 7,821</u>	<u>\$ 739</u>	<u>\$ 56,921</u>	<u>\$ 90,368</u>	<u>\$ 3,712,119</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	-	4,061	60,270	3,385	4,427	341	2,450	179,456	254,390
Transfer for current period (Note)	-	5,860	64,790	-	-	-	-	( 21,620)	49,030
Costs of disposal	-	-	-	-	( 7)	-	-	-	( 7)
Disposal of accumulated depreciation	-	-	-	-	7	-	-	-	7
Depreciation expense	-	( 35,942)	( 128,553)	( 553)	( 1,415)	( 81)	( 4,608)	-	( 171,152)
September 30	<u>\$ 1,535,961</u>	<u>\$ 933,425</u>	<u>\$ 973,479</u>	<u>\$ 4,372</u>	<u>\$ 7,599</u>	<u>\$ 611</u>	<u>\$ 37,446</u>	<u>\$ 186,273</u>	<u>\$ 3,679,166</u>
September 30									
Cost	\$ 1,535,961	\$1,475,785	\$ 2,090,015	\$ 14,759	\$ 16,527	\$ 1,811	\$ 72,652	\$ 186,273	\$ 5,393,783
Accumulated depreciation	-	( 532,029)	( 1,061,095)	( 10,387)	( 8,928)	( 1,200)	( 34,827)	-	( 1,648,466)
Accumulated impairment	-	( 10,331)	( 55,441)	-	-	-	( 379)	-	( 66,151)
	<u>\$ 1,535,961</u>	<u>\$ 933,425</u>	<u>\$ 973,479</u>	<u>\$ 4,372</u>	<u>\$ 7,599</u>	<u>\$ 611</u>	<u>\$ 37,446</u>	<u>\$ 186,273</u>	<u>\$ 3,679,166</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 2028. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or 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:

	<u>Land</u>	<u>Buildings</u>	<u>2024 Transportation equipment</u>	<u>Total</u>
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
Addition-Newly added lease contracts	21,454	541	-	21,995
Cost of derecognition	( 16,400)	( 486)	-	( 16,886)
Accumulated depreciation on the de-booking date	16,400	486	-	16,886
Revaluation of lease liabilities	9,846	-	-	9,846
Depreciation expense	( 12,053)	( 9,878)	( 188)	( 22,119)
September 30	<u>\$ 20,206</u>	<u>\$ 20,928</u>	<u>\$ 439</u>	<u>\$ 41,573</u>
September 30				
Cost	\$ 22,165	\$ 63,200	\$ 752	\$ 86,117
Accumulated depreciation	( 1,959)	( 42,272)	( 313)	( 44,544)
	<u>\$ 20,206</u>	<u>\$ 20,928</u>	<u>\$ 439</u>	<u>\$ 41,573</u>

	2023			
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 7,265	\$ 60,350	\$ 1,729	\$ 69,344
Accumulated depreciation	( 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	-	2,795	752	3,547
Cost of derecognition	-	-	( 1,729)	( 1,729)
Accumulated depreciation on the de-booking date	-	-	1,729	1,729
Depreciation expense	( 1,335)	( 9,591)	( 358)	( 11,284)
September 30	<u>\$ 1,405</u>	<u>\$ 33,555</u>	<u>\$ 689</u>	<u>\$ 35,649</u>
September 30				
Cost	\$ 7,265	\$ 63,145	\$ 752	\$ 71,162
Accumulated depreciation	( 5,860)	( 29,590)	( 63)	( 35,513)
	<u>\$ 1,405</u>	<u>\$ 33,555</u>	<u>\$ 689</u>	<u>\$ 35,649</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total amount of lease liabilities	\$ 43,255	\$ 38,147	\$ 41,494
Less: Due within one year (listed as "Lease liabilities - Current")	( 24,365)	( 20,174)	( 20,198)
	<u>\$ 18,890</u>	<u>\$ 17,973</u>	<u>\$ 21,296</u>

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

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	<u>\$ 137</u>	<u>\$ 99</u>
Expenses of short-term lease contracts	<u>\$ 896</u>	<u>\$ 531</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	<u>\$ 290</u>	<u>\$ 308</u>
Expenses of short-term lease contracts	<u>\$ 2,362</u>	<u>\$ 758</u>

6. The total cash outflow for the lease of the Group for the nine months ended on September 30, 2024 and 2023 was NT\$29,385 and NT\$11,096, respectively.
7. Yilan Luodong Business Area No. 70, 71, 73-75, 80, 82-85, and Nan'ao Business Area No. 27 and 28 were leased by the Company for mineral field use. As said leases expired on June 18, 2020. The Company applied to the competent authorities for the renewal of the leases of the ancillary facilities of the mining land, and the process was completed in January 2023. In addition, according to the letter from the Yilan Branch of the Forestry and Conservation Administration, Ministry of Agriculture, in March 2024, the rent of the mining land was calculated based on the approved market value of forest land and included in the ecological damage compensation. The Company re-assessed the said lease liability and recognized right-of-use assets of NT\$9,846 and lease liabilities of NT\$9,846. The above lease contracts expired on June 18, 2024. The Group has applied to the competent authority for the lease renewal to June 18, 2028, and recognized right-of-use assets of NT\$21,454 and lease liabilities of NT\$21,454.

(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	-	-	935	935
Cost of derecognition	-	-	( 2,792)	( 2,792)
Accumulated amortization on the derecognition date	-	-	2,792	2,792
Amortization	-	-	( 6,108)	( 6,108)
September 30	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 52,691</u>	<u>\$ 165,101</u>
September 30				
Cost	\$ 234,798	\$ 30,000	\$ 116,991	\$ 381,789
Accumulated amortization	( 60,416)	( 30,000)	( 53,060)	( 143,476)
Accumulated impairment	( 61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 52,691</u>	<u>\$ 165,101</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
Addition	-	-	1,701	1,701
Cost of derecognition	-	-	( 1,129)	( 1,129)
Accumulated amortization on the derecognition date	-	-	1,129	1,129
Amortization	-	-	( 6,451)	( 6,451)
September 30	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 56,150</u>	<u>\$ 168,560</u>
September 30				
Cost	\$ 234,798	\$ 30,000	\$ 115,025	\$ 379,823
Accumulated amortization	( 60,416)	( 30,000)	( 47,635)	( 138,051)
Accumulated impairment	( 61,972)	-	( 11,240)	( 73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 56,150</u>	<u>\$ 168,560</u>

Details of amortization of intangible assets are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023
Operation cost	\$ 1,942	\$ 1,954
Operating Expenses	<u>74</u>	<u>200</u>
	<u>\$ 2,016</u>	<u>\$ 2,154</u>
	January 1 to September 30, 2024	January 1 to September 30, 2023
Operation cost	\$ 5,847	\$ 5,864
Operating Expenses	<u>261</u>	<u>587</u>
	<u>\$ 6,108</u>	<u>\$ 6,451</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 November 11, 2024, the relevant planning is still in progress and the application procedure has not yet been completed.

(VIII) Short-term borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Credit bank loan	\$ 650,000	\$ 750,000	\$ 750,000
Interest rate collars	1.90%~1.905%	1.78%~1.83%	1.78%~1.85%

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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Guarantee notes	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000

(IX) Short-term notes and bills payable

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Commercial papers payable	\$ 470,000	\$ 270,000	\$ 350,000
Less: Unamortized discount	( 101)	( 64)	( 75)
	<u>\$ 469,899</u>	<u>\$ 269,936</u>	<u>\$ 349,925</u>
Interest rate collars	1.54%~1.74%	1.32%~1.61%	1.31%~1.61%

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Guarantee notes	\$ 700,000	\$ 650,000	\$ 650,000

(X) Other payables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Salary and wages payable	\$ 122,875	\$ 137,707	\$ 94,552
Electricity bill payable	39,886	29,487	21,161
Payables for equipment	30,240	13,065	31,785
Commodity tax payable	14,762	16,854	16,368
Business tax payable	8,623	11,456	5,817
Other Payable	26,866	31,246	24,217
	<u>\$ 243,252</u>	<u>\$ 239,815</u>	<u>\$ 193,900</u>

(XI) Long-term borrowings

Nature of loan	Loan period and borrowing method	Interest rate collars	Guarantee	September 30, 2024
Long-term bank loan				
Secured loan	From September 1, 2024 to August 31, 2026, monthly payment of interest, re-payment on maturity.	1.865%	Note	\$ 1,700,000
Credit Loan	From September 30, 2023 to March 27, 2026, monthly payment of interest, re-payment on maturity.	1.90% ~1.925%	Note	
				<u>700,000</u>
				2,400,000
Less: Long-term borrowings due within one year or one operating cycle				( <u>400,000</u> )
				<u>\$ 2,000,000</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	September 30, 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	\$ 1,500,000
Credit Loan	From December 23, 2022 to February 22, 2025, monthly payment of interest, re-payment on maturity.	1.85% ~1.90%	Note	
				<u>900,000</u>
				<u>\$ 2,400,000</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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Guarantee notes	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

(XII) Pensions

- 1.(1) The Group 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. The Group contributes an amount equal to 2% of the employees' monthly salaries and wages each month to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, the Group 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, the Group will make contributions to employees expected to be qualified for retirement next year to cover the deficit by next March.
- (2) For the three and nine months ended September 30, 2024 and 2023, pension expenses were NT\$37, NT\$34, NT\$105, and NT\$102, respectively.
- (3) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount 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 three and nine months ended September 30, 2024 and 2023, pension expenses were NT\$4,383, NT\$4,023, NT\$13,019, and NT\$11,964, respectively.

(XIII) Share-based payment

1. As of September 30, 2024, the share-based payment agreement of subsidiary Ruentex Interior Design is as follows:

Type of agreement	Grant date	Quantity (shares)	Contract period	Vesting conditions
Shares retained from cash capital increase for employee subscription	May 7, 2024	225,000	NA	Immediate vesting

In the above-mentioned share-based payment agreement, the settlement is based on equity.

2. Details of the above share-based payment agreement are as follows:

	2024	
	Number of stock options (shares)	Strike price (NT\$)
Outstanding stock options on January 1	-	\$ -
Stock options granted in this period	225,000	165
Stock options exercised in this period	(225,000)	165
Outstanding stock options on September 30	-	-

3. For Ruentex Design's share-based payment transaction on the grant date, the Black-Scholes model was adopted to estimate the fair value of the stock options. The relevant information is as follows:

Type of agreement	Grant date	Fair value per share of options (NTD)	Expected price volatility	Expected duration (years)	Expected dividend rate	Strike price (NT\$)	Risk-free rate	Per share Fair value (NT\$)
Shares retained from cash capital increase for employee subscription	May 7, 2024	\$171.73	34.43%	0.02	0.00%	\$ 165	1.22%	\$ 7.7106

4. Share-based payments for the expenses generated by transactions are as follows:

	January 1 to September 30, 2024
Equity settled	\$ 1,735

(XIV) Capital

1. The number of outstanding shares of the Company as of September 30, 2024 and 2023 was both 150,000 thousand shares, and the number of shares for the nine months ended on September 30, 2024 and 2023 remained unchanged.
2. As of September 30, 2024, the Company's authorized capital was NT\$2,000,000, and the paid-in capital was NT\$1,500,000 with a par value of NT\$10 per share; all shares are issued as ordinary shares. All proceeds from shares issued have been collected.

(XV) Capital surplus

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.

(XVI) Retained earnings

1. Under the Articles of Incorporation of the Company, the earnings, if any, shall be distributed after close of the year as follows:
  - (1) First pay income tax.
  - (2) Make up loss accumulated in previous year, if any.
  - (3) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
  - (4) Amortize or rotate special reserve as required by law or the competent authority.
  - (5) For the balance after deduction of the sums under the preceding Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.
2. The Company's dividend payout policy is based on the Company Act and the Company's Articles of Incorporation, which allow the Company to consider the financial, business, operational and capital budgeting factors, while taking into account shareholders' interests, balanced dividends, and the Company's long-term financial planning. A distribution plan by the Board shall be submitted to the shareholders' meeting. However, keeping within the available surplus for distribution, the dividends to shareholders shall be no less than 50 percent of the balance amount derived from taking the after-tax profit of the current year less the profit set aside as legal reserve and special reserve, the cash dividend ratio shall not be less than 30 percent of the total dividend distribution for the year.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in

proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- 5.(1) The Company's earning distribution plan for the year ended December 31, 2022 approved by the shareholders' meeting on May 22, 2023 is as follows:

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

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

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

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

(XVII) Operating Revenue

	<u>July 1 to September 30, 2024</u>		<u>July 1 to September 30, 2023</u>	
Revenue from contracts with customers:				
Revenue from sales of goods	\$	1,172,897	\$	946,900
Revenue from construction contracts		543,831		426,286
Other revenue from contracts		<u>26,708</u>		<u>25,563</u>
	\$	<u>1,743,436</u>	\$	<u>1,398,749</u>
	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
Revenue from contracts with customers:				
Revenue from sales of goods	\$	3,311,573	\$	2,754,017
Revenue from construction contracts		1,431,209		1,042,202
Other revenue from contracts		<u>71,503</u>		<u>83,593</u>
	\$	<u>4,814,285</u>	\$	<u>3,879,812</u>

1. Detail of customer contract income

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

	<u>July 1 to September 30, 2024</u>		<u>July 1 to September 30, 2023</u>		
	Cement business	Building materials business	Engineering and construction business		Total
Departmental revenue	\$ 561,541	\$ 640,554	\$ 544,156		\$ 1,746,251
Revenue from internal department transactions		<u>-( 2,490)</u>	<u>( 325)</u>		<u>( 2,815)</u>
Revenue from contracts with external customers	\$ 561,541	\$ 638,064	\$ 543,831		\$ 1,743,436
Timing of revenue recognition					
Revenue recognized at a point in time	\$ 534,833	\$ 638,064	\$ -		\$ 1,172,897
Revenue recognized over time	<u>26,708</u>	<u>-</u>	<u>543,831</u>		<u>570,539</u>
	\$ 561,541	\$ 638,064	\$ 543,831		\$ 1,743,436

July 1 to September 30, 2023	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	\$ 483,815	\$ 492,109	\$ 426,286	\$ 1,402,210
Revenue from internal department transactions		-( 3,461)	-	( 3,461)
Revenue from contracts with external customers	<u>\$ 483,815</u>	<u>\$ 488,648</u>	<u>\$ 426,286</u>	<u>\$ 1,398,749</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 458,252	\$ 488,648	\$ -	\$ 946,900
Revenue recognized over time	<u>25,563</u>	<u>-</u>	<u>426,286</u>	<u>451,849</u>
	<u>\$ 483,815</u>	<u>\$ 488,648</u>	<u>\$ 426,286</u>	<u>\$ 1,398,749</u>

January 1 to September 30, 2024	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	\$ 1,578,327	\$ 1,810,957	\$ 1,433,129	\$ 4,822,413
Revenue from internal department transactions		-( 6,208)	( 1,920)	( 8,128)
Revenue from contracts with external customers	<u>\$ 1,578,327</u>	<u>\$ 1,804,749</u>	<u>\$ 1,431,209</u>	<u>\$ 4,814,285</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 1,506,824	\$ 1,804,749	\$ -	\$ 3,311,573
Revenue recognized over time	<u>71,503</u>	<u>-</u>	<u>1,431,209</u>	<u>1,502,712</u>
	<u>\$ 1,578,327</u>	<u>\$ 1,804,749</u>	<u>\$ 1,431,209</u>	<u>\$ 4,814,285</u>

January 1 to September 30, 2023	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	\$ 1,478,684	\$ 1,366,068	\$ 1,042,202	\$ 3,886,954
Revenue from internal department transactions		-( 7,142)	-	( 7,142)
Revenue from contracts with external customers	<u>\$ 1,478,684</u>	<u>\$ 1,358,926</u>	<u>\$ 1,042,202</u>	<u>\$ 3,879,812</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 1,395,091	\$ 1,358,926	\$ -	\$ 2,754,017
Revenue recognized over time	<u>83,593</u>	<u>-</u>	<u>1,042,202</u>	<u>1,125,795</u>
	<u>\$ 1,478,684</u>	<u>\$ 1,358,926</u>	<u>\$ 1,042,202</u>	<u>\$ 3,879,812</u>

2. As of September 30, 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 ~ 2026	<u>\$ 2,704,627</u>
2023	2023 ~ 2026	<u>\$ 1,578,924</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:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>January 1, 2023</u>
Contract asset:				
Contract asset - deposit receivable (including related parties)	\$ 56,369	\$ 13,150	\$ 17,709	\$ 16,038
Contract asset - Construction contract	<u>623,873</u>	<u>364,587</u>	<u>562,569</u>	<u>396,635</u>
Total	<u>\$ 680,242</u>	<u>\$ 377,737</u>	<u>\$ 580,278</u>	<u>\$ 412,673</u>
Contract liability:				
Contract liability - contract for building materials (including related parties)	\$ 6,388	\$ 23,527	\$ 6,762	\$ 18,078
Contract liability - Construction contract	<u>54,837</u>	<u>26,825</u>	<u>30,107</u>	<u>14,643</u>
Total	<u>\$ 61,225</u>	<u>\$ 50,352</u>	<u>\$ 36,869</u>	<u>\$ 32,721</u>

4. The contract assets/contract liabilities recognized in the aforementioned construction contracts on September 30, 2024, December 31, 2023, September 30, 2023, and January 1, 2023 are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>January 1, 2023</u>
Incurring total costs and recognized earnings	\$ 2,375,497	\$ 1,552,369	\$ 1,557,652	\$ 889,620
Less: Amount requested for progress				
Amount	<u>( 1,806,461)</u>	<u>( 1,214,607)</u>	<u>( 1,025,190)</u>	<u>( 507,628)</u>
Net assets and liabilities for contracts in progress	<u>\$ 569,036</u>	<u>\$ 337,762</u>	<u>\$ 532,462</u>	<u>\$ 381,992</u>

(XVIII) Operation cost

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Cost of sales of goods	\$ 1,094,637	\$ 894,346
Cost of construction contract	432,476	338,342
Other costs from contracts	<u>1,475</u>	<u>1,750</u>
	<u>\$ 1,528,588</u>	<u>\$ 1,234,438</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Cost of sales of goods	\$ 3,073,329	\$ 2,605,088
Cost of construction contract	1,135,950	830,697
Other costs from contracts	<u>4,953</u>	<u>5,306</u>
	<u>\$ 4,214,232</u>	<u>\$ 3,441,091</u>

(XIX) Interest revenue

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest on cash in banks	\$ 2,382	\$ 645
Financial assets at amortized cost		
Interest revenue	<u>-</u>	<u>173</u>
	<u>\$ 2,382</u>	<u>\$ 818</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest on cash in banks	\$ 5,107	\$ 2,229
Financial assets at amortized cost		
Interest revenue	<u>-</u>	<u>569</u>
	<u>\$ 5,107</u>	<u>\$ 2,798</u>

(XX) Other income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Rent income	\$ 279	\$ 279
Dividend income	24,497	19,597
Other income	<u>-</u>	<u>150</u>
	<u>\$ 24,776</u>	<u>\$ 20,026</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Rent income	\$ 838	\$ 838
Dividend income	24,497	19,597
Other income	<u>39</u>	<u>4,066</u>
	<u>\$ 25,374</u>	<u>\$ 24,501</u>



(XXI) Other gains and losses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Net foreign exchange loss	\$ -	(\$ 195)
Gain (loss) on foreign currency valuation	( 8)	37
Others	( 204)	( 166)
	<u>(\$ 212)</u>	<u>(\$ 324)</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net foreign exchange loss	\$ -	(\$ 1,992)
Gain on foreign currency valuation	63	43
Others	( 562)	( 475)
	<u>(\$ 499)</u>	<u>(\$ 2,424)</u>

(XXII) Financial Costs

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Interest expense:		
Bank loan	\$ 16,376	\$ 15,914
Lease liabilities	137	99
	<u>\$ 16,513</u>	<u>\$ 16,013</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest expense:		
Bank loan	\$ 47,542	\$ 48,479
Lease liabilities	290	308
	<u>\$ 47,832</u>	<u>\$ 48,787</u>

(XXIII) Additional information of expenses by nature

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	\$ 658,676	\$ 548,680
Contract work	424,523	331,008
Employee benefit expense	144,157	125,489
Depreciation expenses for property, plant and equipment	65,799	59,324
Depreciation expenses for right-of-use assets	4,737	3,797
Depreciation and amortization expenses of intangible assets	2,016	2,154
Other expense	<u>321,722</u>	<u>246,354</u>
Operating costs and expenses	<u>\$ 1,621,630</u>	<u>\$ 1,316,806</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	\$ 1,864,549	\$ 1,601,564
Contract work	1,104,746	802,041
Employee benefit expense	434,722	373,600
Depreciation expenses for property, plant and equipment	190,878	171,152
Depreciation expenses for right-of-use assets	22,119	11,284
Depreciation and amortization expenses of intangible assets	6,108	6,451
Other expense	<u>868,159</u>	<u>709,153</u>
Operating costs and expenses	<u>\$ 4,491,281</u>	<u>\$ 3,675,245</u>

(XXIV) Employee benefit expense

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Wages and salaries	\$ 119,324	\$ 103,566
Labor and Health Insurance costs	9,757	8,914
Pension expense	4,420	4,057
Directors' Remuneration	1,542	1,482
Other employment fees	<u>9,114</u>	<u>7,470</u>
	<u>\$ 144,157</u>	<u>\$ 125,489</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Wages and salaries	\$ 359,836	\$ 308,931
Labor and Health Insurance costs	30,995	27,673
Pension expense	13,124	12,066
Directors' Remuneration	4,581	4,521
Compensation cost of employee stock options	1,735	-
Other employment fees	<u>24,451</u>	<u>20,409</u>
	<u>\$ 434,722</u>	<u>\$ 373,600</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 for the three and nine months ended September 30, 2024 and 2023 were NT\$709, NT\$411, NT\$1,615, and NT\$847, 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 nine months ended on September 30, 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.

(XXV) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Current income tax:		
Income tax occurred in the current period	<u>\$ 19,908</u>	<u>\$ 12,852</u>
Total income tax for current period	<u>19,908</u>	<u>12,852</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>1,623</u>	<u>532</u>
Total deferred income tax	<u>1,623</u>	<u>532</u>
Income tax expense	<u>\$ 21,531</u>	<u>\$ 13,384</u>

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Current income tax:		
Income tax occurred in the current period	\$ 52,687	\$ 29,330
Underestimation on income tax for prior years	<u>214</u>	<u>2</u>
Total income tax for current period	<u>52,901</u>	<u>29,332</u>
Deferred income tax:		
Origination and reversal of temporary differences	<u>1,662</u>	<u>( 703)</u>
Total deferred income tax	<u>1,662</u>	<u>( 703)</u>
Income tax expense	<u>\$ 54,563</u>	<u>\$ 28,629</u>

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

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Changes in fair value through other comprehensive income	<u>(\$ 2,669)</u>	<u>\$ 382</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Changes in fair value through other comprehensive income	<u>(\$ 3,732)</u>	<u>\$ 1,689</u>

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

(XXVI) Earnings per share

July 1 to September 30, 2024			
	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	\$ 64,043	150,000	\$ 0.43
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	64,043	150,000	
Impact of potential diluted common shares Remuneration to employee	-	56	
Effects of net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 64,043	150,056	\$ 0.43
July 1 to September 30, 2023			
	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	\$ 39,087	150,000	\$ 0.26
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	39,087	150,000	
Impact of potential diluted common shares Remuneration to employee	-	36	
Effects of net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 39,087	150,036	\$ 0.26

January 1 to September 30, 2024			
	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	\$ 143,631	150,000	\$ 0.96
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 143,631	150,000	
Impact of potential diluted common shares Remuneration to employee	-	69	
Effects of net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 143,631	150,069	\$ 0.96
January 1 to September 30, 2023			
	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	\$ 81,218	150,000	\$ 0.54
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 81,218	150,000	
Impact of potential diluted common shares Remuneration to employee	-	41	
Effects of net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 81,218	150,041	\$ 0.54

(XXVII) Transactions with non-controlling interests

For the cash capitalization of a subsidiary, the Company has not subscribed according to the shareholding percentage.

Ruentex Interior Design, a subsidiary of the Company, conducted capital increase in cash by issuing new shares in May 2024. The Company did not subscribe in proportion to the shareholding, which resulted in a decrease in the combined shareholding of Ruentex Interior Design from 35.19% to 31.66%. Please find Note 4(3) for details. The effects of changes in Ruentex Interior Design's equity in 2024 on the equity attributable to the owners of parent are as follows:

	<u>January 1 to September 30, 2024</u>
Cash	\$ 278,226
Share-based payment	1,735
Increase in the carrying amount of non-controlling interests	( 211,067)
Capital surplus - changes in the ownership interests of subsidiaries as recognized	<u>\$ 68,894</u>

(XXVIII) Cash flow supplementary information

1. Investing activities not affecting cash flow:

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Prepayments for business facilities reclassified to property, plant and equipment	<u>\$ 2,375</u>	<u>\$ 49,030</u>

2. Investing activities paid partially by cash:

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Acquisition of property, plant and equipment	\$ 229,369	\$ 254,390
Add: Payables for equipment at the beginning of the period	13,065	31,937
Less: Payables for equipment at the end of the period	( 30,240)	( 31,785)
Cash payments for current period	<u>\$ 212,194</u>	<u>\$ 254,542</u>

(XXIX) 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 (including those due within one year or one operating cycle)	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	( 100,000)	200,000	( 26,733)	( 100,000)	-	( 26,733)
Addition-Newly added lease contracts	-	-	21,995	-	-	21,995
Revaluation of lease liabilities	-	-	9,846	-	-	9,846
Other non-cash changes	-( 37)		-	-	-	( 37)
September 30	<u>\$ 650,000</u>	<u>\$ 469,899</u>	<u>\$ 43,255</u>	<u>\$ 2,400,000</u>	<u>\$ 7,541</u>	<u>\$ 3,570,695</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	( 200,000)	40,000	( 10,030)	( 150,000)	( 21)	( 320,051)
Addition-Newly added lease contracts	-	-	3,547	-	-	3,547
Other non-cash changes	-	93	-	-	-	93
September 30	<u>\$ 750,000</u>	<u>\$ 349,925</u>	<u>\$ 41,494</u>	<u>\$ 2,400,000</u>	<u>\$ 7,541</u>	<u>\$ 3,548,960</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>Names of related parties</u>	<u>Relation to the Group</u>
Ruentex Development Co., Ltd. (Ruentex Development)	Ultimate parent company of the Group
Ruentex Engineering & Construction Co., Ltd.	Direct parent company (The parent company of the Group)
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.	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)

<u>Names of related parties</u>	<u>Relation to the Group</u>
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
Lee Chih-Hung	Chairman of the Company's direct parent company
Chien Tsang-Tsun	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>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Sales of goods:		
— The ultimate parent company	\$ 18,387	\$ 27,950
— The direct parent company	27,944	34,355
- Fellow subsidiary	-	1,680
- Other related parties	1,889	4,834
Contract of construction:		
— The ultimate parent company	174,329	76,971
— The direct parent company	12,344	2,599
- Fellow subsidiary	90,024	110,894
- Other related parties	15,441	12,591
	<u>\$ 340,358</u>	<u>\$ 271,874</u>

	January 1 to September 30, 2024	January 1 to September 30, 2023
Sales of goods:		
— The ultimate parent company	\$ 64,360	\$ 50,159
— The direct parent company	94,859	93,206
- Fellow subsidiary	-	3,444
- Other related parties	9,623	6,233
Contract of construction:		
— The ultimate parent company	350,338	221,528
— The direct parent company	63,664	13,679
- Fellow subsidiary	343,654	214,217
- Other related parties	37,314	20,962
	<u>\$ 963,812</u>	<u>\$ 623,428</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

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable:			
- Ruentex Development	\$ 35,715	\$ 1,563	\$ 6,735
— The direct parent company	-	3,895	4,783
- Fellow subsidiary	-	45	-
	<u>\$ 35,715</u>	<u>\$ 5,503</u>	<u>\$ 11,518</u>
Accounts receivable			
— The ultimate parent company	\$ 19,338	\$ 56,675	\$ 36,149
— The direct parent company	22,301	28,192	20,483
— Ruentex Innovative Development	-	146,567	69,888
- Fellow subsidiary	2,925	14,447	9,316
- Other related parties	2,138	2,121	17,352
	<u>\$ 46,702</u>	<u>\$ 248,002</u>	<u>\$ 153,188</u>

### 3. Contract assets - retainable receivables

	September 30, 2024	December 31, 2023	September 30, 2023
— The ultimate parent company	\$ 15,556	\$ 2,627	\$ 10,667
— The direct parent company	5,596	1,086	1,079
- Fellow subsidiary	30,795	8,746	5,347
- Other related parties	978	-	-
	<u>\$ 52,925</u>	<u>\$ 12,459</u>	<u>\$ 17,093</u>

### 4. Incomplete work of construction contracting and advance construction receipts

	September 30, 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 Innovation	\$ 1,038,966	\$ 307,557	\$ 864,591	\$ 71,093
Ruentex Innovative Development	710,906	586,572	651,107	306,185
The direct parent company	126,267	74,562	49,981	20,643
Other related parties	39,713	32,864	29,516	25,680
	<u>\$ 1,915,852</u>	<u>\$ 1,001,555</u>	<u>\$ 1,595,195</u>	<u>\$ 423,601</u>

	September 30, 2023	
	<u>Total contract amount (tax excluded)</u>	<u>Amount requested for progress of works</u>
Ruentex Innovation	\$ 1,075,349	\$ 255,443
Ruentex Innovative Development	691,980	163,298
The direct parent company	42,583	19,545
Fellow subsidiary	56,707	12,754
Other related parties	51,653	39,039
	<u>\$ 1,918,272</u>	<u>\$ 490,079</u>

## 5. Balance of accounts payable from related parties

	September 30, 2024	December 31, 2023	September 30, 2023
Notes payable:			
— The ultimate parent company	\$ 168	\$ -	\$ -
— The direct parent company	687	391	1,347
- Other related parties	2	330	147
	<u>\$ 857</u>	<u>\$ 721</u>	<u>\$ 1,494</u>
Accounts payable:			
— The direct parent company	<u>\$ 3,303</u>	<u>\$ 2,058</u>	<u>\$ 2,665</u>
Other payables (Note):			
— The ultimate parent company	\$ 9	\$ 8	\$ 148
— The direct parent company	-	-	105
- Fellow subsidiary	200	200	-
- Other related parties	551	410	243
	<u>\$ 760</u>	<u>\$ 618</u>	<u>\$ 496</u>

Note: Mainly due to insurance premiums, rents, computer maintenance fees payable, phone bills, and cleaning fees.

## 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 total contract price is NT\$8,175, and the user license is expected to be obtained after the inspection. As of September 30, 2024, the payments made for the construction project, totaling \$2,084, have been paid in advance (listed under other non-current assets).

7. Lease transactions - Lessee/rent expenses

Rent expenses of short-term lease contracts

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Fellow subsidiary	\$ 515	\$ -
Other related parties	<u>55</u>	<u>55</u>
	<u>\$ 570</u>	<u>\$ 55</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Fellow subsidiary	\$ 1,543	\$ -
Other related parties	<u>165</u>	<u>165</u>
	<u>\$ 1,708</u>	<u>\$ 165</u>

8. The Company and the direct parent company signed and entered into an agreement in January 2023 on contract processing. The monthly payment is NT\$1,200. If the monthly production surpasses 3,800 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). The processing expenses recognized for the three and nine months ended September 30, 2024 and 2023 were NT\$3,600, NT\$3,600, NT\$10,800, and NT\$10,800, respectively.

9. The Company and the direct parent company signed and entered into an agreement in August 2022 on contract processing. The monthly payment is NT\$632. If the monthly production surpasses 2,000 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). The processing expenses recognized for the three and nine months ended September 30, 2024 and 2023 were NT\$1,896, NT\$1,896, NT\$5,688, and NT\$5,688, respectively.

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
The direct parent company	\$ 88,368	\$ 88,368	\$ 88,368
Key management personnel	<u>\$ 6,350,000</u>	<u>\$ 6,300,000</u>	<u>\$ 6,100,000</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 September 30, 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>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>
Wages and salaries and short-term employee benefits	\$ 19,341	\$ 17,371
Post-employment benefits	281	243
Total	<u>\$ 19,622</u>	<u>\$ 17,614</u>
	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Wages and salaries and short-term employee benefits	\$ 57,474	\$ 52,238
Post-employment benefits	825	739
Total	<u>\$ 58,299</u>	<u>\$ 52,977</u>

VIII. Pledged Assets

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

	<u>Carrying amount</u>			
<u>Asset items</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>	<u>For guarantee purpose</u>
Other financial assets – current (listed as other current assets)	\$ 20,404	\$ 16,960	\$ 6,960	Performance bond
Property, plant, and equipment	1,516,281	1,527,041	1,533,395	Long-term borrowings and guarantee quota
Other financial assets - non-current (listed as other non-current assets)	91,876	91,856	91,837	Performance bond
	<u>\$ 1,628,561</u>	<u>\$ 1,635,857</u>	<u>\$ 1,632,192</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 September 30, 2024, the total amount of the construction and decoration contracts entered into by the Group for construction projects was NT\$2,240,645. Amounts of NT\$1,197,714 have been paid, and the remainder will be paid based on the stage of completion.
2. As of September 30, 2024, the amounts of letters of credit issued by the Group but not yet used are EUR 46 thousand, respectively.

## X. Significant Disaster Loss

None.

## XI. Significant subsequent events

On September 20, 2024, the Board of Directors resolved to purchase the equity in Teh Hsin Enterprise Co., Ltd., and the Company signed an equity transaction contract with a non-related party on September 26, 2024 to purchase 14,969,837 shares at NT\$104.5 per share in the amount of NT\$ 1,564,348, with the shareholding of 35%, and the Company has made payments according to the payment schedule as agreed in the contract since October 2024. As of November 11, 2024, the prepayments made amounted to NT\$782,174, but the relevant procedures for equity ownership transfer have not yet been completed.

## 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 September 30, 2024, December 31, 2023, and September 30, 2023 were as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Total borrowings	\$ 3,520,000	\$ 3,520,000	\$ 3,500,000
Less: Cash and cash equivalents	( 934,611)	( 300,262)	( 246,277)
Net debt	2,585,389	3,219,738	3,253,723
Total equity	<u>3,075,536</u>	<u>2,603,449</u>	<u>2,494,194</u>
Total capital	<u>\$ 5,660,925</u>	<u>\$ 5,823,187</u>	<u>\$ 5,747,917</u>
Debt-to-total-capital ratio	45.67%	55.29%	56.61%

(II) Financial instruments

1. Type of financial instruments

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets</u>			
Financial assets at amortized cost	\$ 934,611	\$ 300,262	\$ 246,277
Cash and cash equivalents	260,353	173,990	168,224
Notes receivable (including related parties)	798,917	1,117,559	787,421
Accounts receivable (including related parties)	2,291	4,286	5,471
Other receivables	23,599	23,648	23,598
Refundable deposits (listed as other non-current assets)	112,280	108,816	98,797
Other financial assets (listed as other current assets and other non-current assets)			
Financial Assets at fair value through other comprehensive income acquired	<u>773,216</u>	<u>638,199</u>	<u>585,727</u>
Equity instrument investments by the option to designate	<u>\$ 2,905,267</u>	<u>\$ 2,366,760</u>	<u>\$ 1,915,515</u>

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial liabilities</u>			
Financial liabilities are carried at	\$	\$	\$
amortized cost	650,000	750,000	750,000
Short-term borrowings	469,899	269,936	349,925
Short-term notes and bills payable	147,822	137,298	113,720
Notes payable (including related parties)	1,104,577	742,545	720,352
Accounts payable (including related parties)	244,012	240,433	194,396
Other payables (including related parties)	2,400,000	2,500,000	2,400,000
Long-term borrowings (including due within one year or one operating cycle)	<u>7,541</u>	<u>7,541</u>	<u>7,541</u>
Guarantee deposits received (listed as other non-current liabilities)	<u>\$ 5,023,851</u>	<u>\$ 4,647,753</u>	<u>\$ 4,535,934</u>
Lease liabilities - current and non-current	<u>\$ 43,255</u>	<u>\$ 38,147</u>	<u>\$ 41,494</u>

## 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:

September 30, 2024					
(Foreign currency: Functional currency)	Foreign currency amount (thousands)	Exchange rate measurement at the end of the period	Carrying amount (NT\$)	Sensitivity analysis	
				Range of variation	Effects on profit and loss
Financial assets - Monetary items					
USD:NTD	\$ 17	31.65	\$ 538	1%	\$ 5
Financial liabilities - Monetary items					
USD:NTD	10	31.65	317	1%	3
EUR:NTD	106	35.38	3,750	1%	38
December 31, 2023					
(Foreign currency: Functional currency)	Foreign currency amount (thousands)	Exchange rate measurement at the end of the period	Carrying amount (NT\$)	Sensitivity analysis	
				Range of variation	Effects on profit and loss
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

September 30, 2023					
(Foreign currency: Functional currency)	Foreign currency amount (thousands)	Exchange rate measurement at the end of the period	Carrying amount (NT\$)	Sensitivity analysis	
				Range of variation	Effects on profit and loss
Financial assets					
- Monetary items					
USD:NTD	\$ 32	32.27	\$ 1,033	1%	\$ 10
Financial liabilities - Monetary items					
USD:NTD	2,705	32.27	87,290	1%	873
EUR:NTD	17	33.91	576	1%	6

C. Foreign exchange risk has significant impact on the Group, and the all foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were loss of NT\$8, loss of NT\$158, gain of NT\$63, and loss of NT\$1,949, for the three and nine months ended September 30, 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 nine months ended on September 30, 2024 and 2023 would have increased/decreased by NT\$7,732 and NT\$5,857, 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 nine months ended September 30, 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 nine months ended September 30, 2024 and 2023 would have decreased/increased by NT\$1,830 and NT\$1,890, 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 September 30, 2024, December 31, 2023, and September 30, 2023, the loss rate methodology is as follows:

	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>September 30, 2024</u>			
Expected loss	0.01%~0.03%	0.63%~100%	
Total carrying amount	<u>\$ 1,182,756</u>	<u>\$ 309,884</u>	<u>\$ 1,492,640</u>
Allowance for losses	<u>\$ 99</u>	<u>\$ 13,382</u>	<u>\$ 13,481</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>September 30, 2023</u>			
Expected loss	0.01%~0.03%	0.46%~100%	
Total carrying amount	<u>\$ 1,121,641</u>	<u>\$ 252,683</u>	<u>\$ 1,374,324</u>
Allowance for losses	<u>\$ 86</u>	<u>\$ 6,539</u>	<u>\$ 6,625</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:

	2024	2023
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 7,144	\$ 3,527
Provision of impairment loss	<u>6,337</u>	<u>3,098</u>
September 30	<u>\$ 13,481</u>	<u>\$ 6,625</u>

(3) Liquidity risk

- A. Cash flow forecasting is performed by each of the operating entities of the Group and aggregated by the Finance Department. The Department also monitors the projections for the Group's need for funds to ensure that there is sufficient funding to support operating requirements.
- B. For the remaining cash held by each of the operating entities, when it exceeds the management needs of operating capital, it then invests the remaining capital in a saving deposit with interest, time deposit, or equivalent cash - repurchase agreements, etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level.
- C. Details of the loan credit not yet drawn down by the Group are as follows:

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Due within one year	\$ 1,301,260	\$ 800,000	\$ 646,813
Due longer than one year	<u>800,000</u>	<u>1,067,185</u>	<u>965,554</u>
	<u>\$ 2,101,260</u>	<u>\$ 1,867,185</u>	<u>\$ 1,612,367</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:

September 30, 2024	3 months and below	Within 3 months to 1 year	More than 1 year
Short-term borrowings	\$ 650,000	\$ -	\$ -
Short-term notes and bills payable (Note)	470,000	-	-
Notes payable (including related parties)	145,573	2,249	-
Accounts payable (including related parties)	264,426	727,023	113,128
Other payables (including related parties)	199,649	33,334	11,029
Lease liabilities - current (Note)	8,957	15,899	-
Long-term borrowings (Note)	11,276	429,554	2,031,705
Lease liabilities - non-current (Note)	-	-	19,151
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	3 months and below	Within 3 months to 1 year	More than 1 year
Short-term borrowings	\$ 750,000	\$ -	\$ -
Short-term notes and bills payable (Note)	270,000	-	-
Notes payable (including related parties)	136,384	914	-
Accounts payable (including related parties)	259,772	383,553	99,220
Other payables (including related parties)	194,604	30,429	15,400
Lease liabilities - current (Note)	9,353	11,133	-
Long-term borrowings (Note)	11,061	33,183	2,524,684
Lease liabilities - non-current (Note)	-	-	18,095
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541

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

Non-derivative financial liabilities:

September 30, 2023	3 months and below	Within 3 months to 1 year	More than 1 year
Short-term borrowings	\$ 750,000	\$ -	\$ -
Short-term notes and bills payable (Note)	350,000	-	-
Notes payable (including related parties)	111,867	1,853	-
Accounts payable (including related parties)	238,382	408,430	73,540
Other payables (including related parties)	145,842	43,209	5,345
Lease liabilities - current (Note)	9,353	11,195	-
Long-term borrowings (Note)	10,825	25,990	2,404,090
Lease liabilities - non-current (Note)	-	-	21,470
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541

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

(III) Fair value information

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

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

September 30, 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				
Equity securities	<u>\$ 773,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,216</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				
Equity securities	<u>\$ 638,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,199</u>

September 30, 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				
Equity securities	<u>\$ 585,727</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585,727</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 September 30, 2024 and 2023.

### 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 nine months ended on September 30, 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 September 30, 2024				
	Cement business	Building materials business	Engineering and construction business	Total
External revenue	\$ 1,578,327	\$ 1,804,749	\$ 1,431,209	\$ 4,814,285
Internal departmental revenue	-	6,208	1,920	8,128
Departmental revenue	<u>\$ 1,578,327</u>	<u>\$ 1,810,957</u>	<u>\$ 1,433,129</u>	<u>\$ 4,822,413</u>
Net operating profit from the segment	<u>\$ 26,626</u>	<u>\$ 93,961</u>	<u>\$ 202,417</u>	<u>\$ 323,004</u>
Segment income (loss) includes:				
Depreciation expense	\$ 165,982	\$ 39,487	\$ 7,528	\$ 212,997
Amortization	550	5,437	121	6,108
	<u>\$ 166,532</u>	<u>\$ 44,924</u>	<u>\$ 7,649</u>	<u>\$ 219,105</u>
January 1 to September 30, 2023				
	Cement business	Building materials business	Engineering and construction business	Total
External revenue	\$ 1,478,684	\$ 1,358,926	\$ 1,042,202	\$ 3,879,812
Internal departmental revenue	-	7,142	-	7,142
Departmental revenue	<u>\$ 1,478,684</u>	<u>\$ 1,366,068</u>	<u>\$ 1,042,202</u>	<u>\$ 3,886,954</u>
Net operating profit from the segment	<u>\$ 56,140</u>	<u>\$ 15,777</u>	<u>\$ 132,650</u>	<u>\$ 204,567</u>
Segment income (loss) includes:				
Depreciation expense	\$ 139,204	\$ 36,598	\$ 6,634	\$ 182,436
Amortization	711	5,590	150	6,451
	<u>\$ 139,915</u>	<u>\$ 42,188</u>	<u>\$ 6,784</u>	<u>\$ 188,887</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 September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net operating profit from the segment	\$ 323,004	\$ 204,567
Interest revenue	5,107	2,798
Interest Cost	( 47,832)	( 48,787)
Other items	<u>24,875</u>	<u>22,077</u>
Net income before tax from the segment	<u>\$ 305,154</u>	<u>\$ 180,655</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)

September 30, 2024

Attached Table 1

Unit: NT\$ thousands

Company holding the securities	Type and name of the securities (Note 1)	Relationship with the securities issuer (Note 2)	Account recognized	End of the period				Remark (Note 4)
				Number of shares	Carrying amount (Note 3)	Shareholding percentage	Fair value	
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	\$ 561,618	0.65	\$ 561,618	
	Shares of OBI Pharma, Inc.	Substantive related party of the Company	Financial assets at fair value through other comprehensive income - non-current	117,337	8,918	0.05	8,918	
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	202,680	0.24	202,680	

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 September 30, 2024

Attached Table 2

Unit: NT\$ thousands

(Except as Otherwise Indicated)

The company making the purchase (sale) of goods	Name of counterparty	Relationship	Purchase (sale) of goods	Amount	Transaction conditions		Unit price	Credit period	Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)	Notes receivable/payable and accounts receivable/payable		Remark (Note 2)
					As a percentage of total purchases (sales) of goods (Note 4)	Credit period				Balance	As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)	
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	Ultimate parent company of the Company	Revenue from project solicitation and sales	\$ 373,081	26.37	The amount shall be collected in accordance with the term of the construction/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/sales contract		\$ 55,053	29.27	
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	Project solicitation	342,157	24.18	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		-	-	

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 September 30, 2024

Attached Table 3

Unit: NT\$ thousands

Name of the investing company	Type and name of the securities	Location	Main business items	Original investment amount		Holding at the end of period			Current profit and loss of the investee company	Gains and losses on investment recognized for the current period	Remark
				End of the current period	End of last year	Shares	Percentage	Carrying amount			
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Interior design	\$ 126,721	\$ 126,721	4,750,000	31.66	\$ 264,011	\$ 159,731	\$ 52,771	Subsidiaries

Ruentex Materials Co., Ltd. and its subsidiaries

Information on main investors

September 30, 2024

Attached Table 4

Unit: Shares

Name of Major Shareholders	Shares	
	Number of shares held	Shareholding percentage
Ruentex Engineering & Construction Co., Ltd.	58,726,917	39.15%
Ruentex Development Co., Ltd.	15,740,381	10.49%
Fu, Cheng-Ping	8,701,000	5.80%