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

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Ruentex Materials Co., Ltd. and its subsidiaries

Consolidated Financial Statements and Report of Independent Accountants of 2023 and 2022

Contents

Ruentex Materials Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

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

Hereby declare.

Company name: Ruentex Materials Co., Ltd.

Responsible person: Mo, Wei-Han

March 13, 2024

Independent Auditors' Report

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

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

Audit Opinions

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

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

Basis of Audit Opinions

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

Key Audit Matters

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

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

Assessment on Recognition of Construction Contract Income - Construction Completion Progress

Description of Key Audit Matters

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

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

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

Corresponding Audit Procedures

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

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

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

Other Matters- Unconsolidated Financial Report

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

Responsibilities of the Management and Governing Bodies for Consolidated Financial Statements

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

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

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

Responsibilities of the Accountants for the Audit of Consolidated Financial Statements

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

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

1. We identify and assess the risks of material misstatement of consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made at the management level.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. We evaluate the overall presentation, structure and content of the consolidated financial statements, including the related disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. We obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, overseeing and executing audit of the Group, and forming the audit opinion for the Group.

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

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

From matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements of 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Huang, Chin-Lien

Certified Public Accountant

Chang, Shu-Chiung

Financial Supervisory Commission
Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. 1100348083
Former Financial Supervisory Commission, Executive Yuan
Approval Certificate No.: Jin-Guan-Zheng-Shen-Zi No. 0990042602
March 13, 2024

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

Unit: NT$ thousands

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

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

Unit: NT$ thousands

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

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

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

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

Chairman: Mo, Wei-Han　　Manager: Chen, Hsueh-Hsien　　Accounting Manager: Wu, Po-Chung

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

Unit: NT$ thousands

		Equity attributed to owners of the parent										
			Capital surplus			Retained earnings						
	Notes	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	Unrealized financial assets at fair value through other comprehensive income acquired Income (Loss)	Total	Non-controlling Interest	Total Equity
2022												
Balance on January 1, 2022		$ 1,500,000	$ 656,157	$ -	$ 40,391	$ 121,605	$ 44,086	($ 103,049)	($ 15,717)	$ 2,243,473	$ 256,335	$ 2,499,808
Net income of current period		-	-	-	-	-	-	38,108	-	38,108	64,879	102,987
Other comprehensive income		-	-	-	-	-	-	337	(91,441)	(91,104)	(451)	(91,555)
Total Comprehensive Income Current Period		-	-	-	-	-	-	38,445	(91,441)	(52,996)	64,428	11,432
Profit reversed as special reserve	6(15)	-	-	-	-	-	(28,369)	28,369	-	-	-	-
Deficit offset by legal reserve	6(15)	-	-	-	-	(74,680)	-	74,680	-	-	-	-
Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	4(3) and 6(25)	-	-	15,076	-	-	-	-	984	16,060	13,850	29,910
Cash dividends for non-controlling interests		-	-	-	-	-	-	-	-	-	(41,250)	(41,250)
Balance on December 31, 2022		$ 1,500,000	$ 656,157	$ 15,076	$ 40,391	$ 46,925	$ 15,717	$ 38,445	($ 106,174)	$ 2,206,537	$ 293,363	$ 2,499,900
2023												
Balance on January 1, 2023		$ 1,500,000	$ 656,157	$ 15,076	$ 40,391	$ 46,925	$ 15,717	$ 38,445	($ 106,174)	$ 2,206,537	$ 293,363	$ 2,499,900
Net income of current period		-	-	-	-	-	-	114,983	-	114,983	95,971	210,954
Other comprehensive income		-	-	-	-	-	-	(227)	(5,578)	(5,805)	(1,475)	(7,280)
Total Comprehensive Income Current Period		-	-	-	-	-	-	114,756	(5,578)	109,178	94,496	203,674
Appropriation and distribution of the earnings for 2022:	6(15)											
Profit set aside as legal reserve		-	-	-	-	3,845	-	(3,845)	-	-	-	-
Provision of special reserves		-	-	-	-	-	34,600	(34,600)	-	-	-	-
Distribution of cash dividends from capital surplus	6(15)	-	(34,500)	-	-	-	-	-	-	(34,500)	-	(34,500)
Cash dividends for non-controlling interests		-	-	-	-	-	-	-	-	-	(65,625)	(65,625)
Balance on December 31, 2023		$ 1,500,000	$ 621,657	$ 15,076	$ 40,391	$ 50,770	$ 50,317	$ 114,756	($ 111,752)	$ 2,281,215	$ 322,234	$ 2,603,449

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

Chairman: Mo, Wei-Han　　Manager: Chen, Hsueh-Hsien　　Accounting Manager: Wu, Po-Chung

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

Unit: NT$ thousands

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

(Continued)

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

Unit: NT$ thousands

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

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

Chairman: Mo, Wei-Han Manager: Chen, Hsueh-Hsien Accounting Manager: Wu, Po-Chung

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

Unit: NT$ thousands
(Except as Otherwise Indicated)

I. History and Organization

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

II. Date and Procedure for Approval of Financial Statements

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

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

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

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

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

Amendments to IAS 12 “International tax reform - Pillar Two model rules”	May 23, 2023

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

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

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

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 Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7, “Supplier finance arrangements”	January 1, 2024

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

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

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

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

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

IV. Summary of Significant Accounting Policies

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

(I) Compliance statement

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

(II) Basis of preparation

1. Except the following material items, these consolidated financial statements have been prepared under the historical cost convention:
   (1) Financial assets at fair value through other comprehensive income.
   (2) Defined benefit liabilities recognized based on the net amount of pension fund Assets less present value of defined benefit obligation.

2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements

   (1) The Group has included all subsidiaries in the entities for the preparation of consolidated financial statements. Subsidiaries are all entities (including structural entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

   (2) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

   (3) Profit or loss and each component of other comprehensive income are attributed to the

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

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

2. Subsidiaries included in the consolidated financial statements:

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

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

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

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

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

5. Significant restrictions: None.

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

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

Summary of subsidiaries' financial information:

Balance Sheets

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

Statements of Comprehensive Income

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

Statements of Cash Flows

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

(IV) Foreign currency translation

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

Foreign currency translation and balances

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

(V) Classification of Current and non-Current items

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

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

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

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

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

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

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

(VI) Cash equivalents

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

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

1. It refers to an irrevocable choice made during the initial recognition, and the fair value change of the equity tool investment not held for trading is listed in the other comprehensive income.

2. On a regular way purchase or sale basis, financial assets at fair value through comprehensive income are recognized and derecognized using trade date accounting.

3. These financial assets are initially recognized at fair value plus transaction costs and subsequently remeasured and stated at fair value:

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

(VIII) Financial assets at amortised cost

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

(IX) Notes and accounts receivable

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

(X) Impairment of financial assets

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

(XI) Derecognition of financial assets

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

(XII) Lease transactions of lessor - operating lease

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

(XIII) Inventories

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

(XIV) Property, plant, and equipment

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

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

Buildings 2 - 50 years

Machine equipment 2 - 25 years

Transportation equipment 2 - 5 years

Office equipment 3 - 5 years

Lease of assets for 3 - 6 years

Miscellaneous equipment 2 - 10 years

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

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

(XVI) Intangible assets

1. Mineral rights

Based on expected number of units the mineral resource should produce, depreciation is calculated using the unit of production method. If there is any change to the expected production units, the depreciation per unit is recalculated using the assets’ carrying amount, and the depreciation recognized in the prior years is not restated.

2. Trademark, patent rights and service concession

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

3. Computer software

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

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

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

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

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

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

C. Capability to use or sell the intangible assets;

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

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

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

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

(XVII) Impairment of non-financial Assets

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

(XVIII) Loans

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

(XIX) Notes and accounts payable

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

(XX) Derecognition of financial liabilities

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

(XXI) Provisions

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

(XXII) Employee benefits

1. Short-term employee benefits

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

2. Pensions

   (1) Defined contribution plans

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

(2) Defined benefit plans

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

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

3. Termination benefits

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

4. Remuneration to employee

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

(XXIII) Income tax

1. The income tax expense for the period comprises Current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group

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

3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. The deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not generate equivalent taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax Assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax Assets are reassessed.

5. Current income tax Assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax Assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset Current tax Assets against Current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

6. Tax credits resulting from research and development expenditures are treated with accounting for income tax credits.

(XXIV) Capital

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

(XXV) Dividends

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

(XXVI) Revenue recognition

1. Revenues from product Sales

(1) For the cement and building material related products manufactured and sold by the Group, the income from sale of goods is recognized when the control of goods is transferred to customers, i.e. when the goods are delivered to the customer. In addition, the Group has no unfulfilled obligations that may affect the customer from accepting the goods. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is objective evidence proofing that all acceptable standards have been satisfied, which occurs when the goods is delivered to the customer.

(2) Accounts receivable is recognized when goods are delivered to customers since starting from such time of delivery, the Group has the unconditional right on the contract price, and the Group can receive the consideration from the customer after time has passed.

(3) Financial component

Since the period from the time when contracts are signed between the Group and customers, the goods or services are promised to be transferred to customers to the time when the payments are made by customers have not exceeded one year, consequently, the Group has not adjusted the transaction price to reflect the currency time value.

(4) There is a customer loyalty plan managed by the Group for its distribution customers. At the end of every year, reward points will be given to distribution customers based on the year's transaction amount for the year. Distribution customers have the rights to redeem the reward points for a fixed percentage of the price when they obtain products in the future. The reward point is an important right that cannot be obtained if a customer has not made any initial transaction; therefore, the reward point provided to customers is a single contract performance obligation. The transaction price is appropriated to the goods and reward point

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

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

(1) Due to the performance of the contract by the Group to create or enhance an asset, the asset is controlled by the customer at the time of creation or enhancement, so it is a type of revenue that is recognized as the performance obligation is gradually satisfied over time. Revenue from renovations is recognized as income on a lump sum after the completion of the project because the construction period is less than three months. If the project exceeds three months, it is treated as construction contract income, and is recognized as income based on the degree of completion of the contract during the contract period using the percentage of completion method. Since labor service does not create assets for the Group for other purposes, and the Group has an enforceable right to the proceeds from performance completed so far, it is a type of revenue recognized as the performance obligation is gradually satisfied over time.

(2) The construction contracts, labor services, and repairs undertaken by the Group are recognized as revenue using the percentage of completion method according to the level of completion of the contract during the contract period. Contract costs are recognized as expenses in the period in which they are incurred. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. In addition, when the total contract cost is likely to exceed the total contract revenue, the expected loss is recognized as an expense immediately. When the results of the contracting contracts may not be able to be used to reasonably measure the results of the performance obligations, but the Group expects to recover the incurred costs when the performance obligations are fulfilled, the Group will only recognize the contracts in revenue within the scope of the incurred costs before the results of the performance obligations can be measured.

(3) The Group's estimations for revenue, costs, and stage of completion are adjusted accordingly. Any variation of estimated revenue or costs arising from change of estimations is reflected in profit or loss in the period when the condition for change of estimation is made known to the management.

(4) The variable consideration arising from performance bonuses, penalties or claims that could result in variation of total contract price is only included in the transaction price if, and to the extent that, it is highly probable that its inclusion will not result in a significant revenue reversal in the future.

(5) Retention money mandated in the construction contract should be paid after acceptance of construction by the customers. The retention money receivable is a form of protection for its customers in the event that the counter-party does not perform parts or all obligations properly, and thus does not contain any significant financing component.

(6) The excess of receivables from customers on construction contracts, that is, the cumulative costs incurred plus recognized profits (less recognized losses) over the progress billings on each construction contract is presented as a contract asset. While the excess of the progress billings over the cumulative costs incurred plus, recognized profits (less recognized losses) on each construction contract is presented as a contract liability.

(XXVII) Government grants

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

(XXVIII) Operating segments

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

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

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

(I) Critical judgments in applying the Company accounting policies

None.

(II) Critical accounting estimates and assumptions

Revenue recognition

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

VI. Details of Significant Accounts

(I) Cash and cash equivalents

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

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

(II) Notes and accounts receivable

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

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

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

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

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

The aging analysis was based on past due date.

3. The balances of the notes receivable and receivables as of December 31, 2023 and 2022 were incurred by the clients' contracts; also as of January 1, 2022, the balances of the notes receivable and receivables were NT$120,749 and NT$494,873, respectively.

4. The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT$173,990 and NT$162,706 for notes receivable as of December 31, 2023 and 2022, respectively; the accounts receivable were NT$1,117,559 and NT$756,625 as of December 31, 2023 and 2022, respectively.

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

(III) Inventories

	December 31, 2023		
	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
	$ 735,436	($ 2,618)	$ 732,818

	December 31, 2022		
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	$ 458,407	($ 697)	$ 457,710
Work in process	134,796	-	134,796
Finished goods	110,761	(275)	110,486
Merchandise inventory	326	-	326
	$ 704,290	($ 972)	$ 703,318

Inventory recognized as expenses in the current period:

	2023	2022
Cost of inventories sold	$ 3,628,467	$ 2,969,063
Inventory loss from price reduction (gain from price recovery)	1,646	(5,924)
Unallocated manufacturing costs	6,840	6,840
Revenue from sales of scraps	(8,260)	(6,932)
	$ 3,628,693	$ 2,963,047

The inventories recognized as allowance of loss were sold and market prices recovered during 2022. The inventories generated gains from price recovery.

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

Item	December 31, 2023	December 31, 2022
Non-current items:		
Equity Instrument		
Shares of TWSE listed companies	$ 690,007	$ 690,007
Shares of the TPEx listed companies	24,868	24,868
	714,875	714,875

Adjustments for valuation		
Shares of TWSE listed companies	(59,951)	(53,092)
Shares of the TPEx listed companies	(16,725)	(16,760)
	(76,676)	(69,852)
Total	$ 638,199	$ 645,023

1. The Group elected to classify the TWSE listed securities investments for stable dividends as financial assets at fair value through other comprehensive income; such investments amounted to NT$630,056 and NT$636,915 as of December 31, 2023 and 2022, respectively.
2. The Group elected to classify the strategic investments in privately offered shares of TWSE listed companies as financial assets at fair value through other comprehensive income, amounting to NT$8,143 and NT$8,108 as of December 31, 2023 and 2022, respectively.
3. In the third quarter of 2022 and the first quarter of 2022, the Company purchased 1,960 thousand shares and 1,380 thousand shares of the TWSE-listed company, Ruentex Industries Ltd., from the open market, in amounts of NT$122,798 and NT$136,753, respectively.
4. TPEx-listed company, OBI Pharma, Inc., increased its capital in cash in March 2022, and the Company subscribed for 11,904 shares in an amount of NT$1,250.
5. TWSE-listed company, Ruentex Industries Ltd., increased its capital in cash in September 2022, and the Group subscribed for 3,504,306 shares in an amount of NT$175,215.
6. The details of financial assets at fair value through other comprehensive income recognized in profit and loss and comprehensive income (loss) are as follows:

	2023	2022
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized as other comprehensive income	($ 6,824)	($ 91,065)
Dividend income recognized in profit and loss	$ 19,597	$ 31,472

7. The maximum exposure to credit risk for the Group’s financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT$638,199 and NT$645,023 as of December 31, 2023 and 2022, respectively.
8. For information on the price risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(V) Property, plant, and equipment

	2023								
	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)
	$ 1,535,961	$ 959,446	$ 976,972	$ 1,540	$ 4,587	$ 351	$ 39,604	$ 28,437	$ 3,546,898
January 1	$ 1,535,961	$ 959,446	$ 976,972	$ 1,540	$ 4,587	$ 351	$ 39,604	$ 28,437	$ 3,546,898
Addition	-	4,466	80,551	3,385	4,668	809	7,243	203,430	304,552
Transfer for current period (Note)	-	7,330	73,837	-	-	-	(9,110)	(22,147)	49,910
Costs of disposal	-	-	(49,068)	(790)	(497)	-	(475)	-	(50,830)
Disposal of accumulated depreciation	-	-	49,068	790	497	-	475	-	50,830
Depreciation expense	-	(48,003)	(172,798)	(799)	(2,041)	(196)	(6,270)	-	(230,107)
December 31	$ 1,535,961	$ 923,239	$ 958,562	$ 4,126	$ 7,214	$ 964	$ 31,467	$ 209,720	$ 3,671,253
December 31									
Cost	$ 1,535,961	$ 1,477,660	$ 2,071,138	$ 13,969	$ 16,278	$ 2,279	$ 66,997	$ 209,720	$ 5,394,002
Accumulated depreciation	-	(544,090)	(1,057,135)	(9,843)	(9,064)	(1,315)	(35,151)	-	(1,656,598)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	$ 1,535,961	$ 923,239	$ 958,562	$ 4,126	$ 7,214	$ 964	$ 31,467	$ 209,720	$ 3,671,253

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

	2022								
	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	$ 1,398,704	$ 1,831,528	$ 11,374	$ 11,914	$ 1,470	$ 53,034	$ 41,321	$ 4,885,306
Accumulated depreciation	-	(449,940)	(865,653)	(8,915)	(6,896)	(1,049)	(24,829)	-	(1,357,282)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	$ 1,535,961	$ 938,433	$ 910,434	$ 2,459	$ 5,018	$ 421	$ 27,826	$ 41,321	$ 3,461,873
January 1	$ 1,535,961	$ 938,433	$ 910,434	$ 2,459	$ 5,018	$ 421	$ 27,826	$ 41,321	$ 3,461,873
Addition	-	1,680	42,634	-	1,075		6,929	206,232	258,550
Transfer for current period (Note)	-	65,480	165,209	-	-	-	10,581	(219,161)	22,109
Costs of disposal	-	-	(74,416)	-	(882)	-	(342)	-	(75,640)
Disposal of accumulated depreciation	-	-	74,416	-	882	-	342	-	75,640
Capitalization of interest	-	-	-	-	-	-	-	45	45
Depreciation expense	-	(46,147)	(141,305)	(919)	(1,506)	(70)	(5,732)	-	(195,679)
December 31	$ 1,535,961	$ 959,446	$ 976,972	$ 1,540	$ 4,587	$ 351	$ 39,604	$ 28,437	$ 3,546,898
December 31									
Cost	$ 1,535,961	$ 1,465,864	$ 1,964,955	$ 11,374	$ 12,107	$ 1,470	$ 70,202	$ 28,437	$ 5,090,370
Accumulated depreciation	-	(496,087)	(932,542)	(9,834)	(7,520)	(1,119)	(30,219)	-	(1,477,321)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	$ 1,535,961	$ 959,446	$ 976,972	$ 1,540	$ 4,587	$ 351	$ 39,604	$ 28,437	$ 3,546,898

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

1. Capitalized amount of borrowing costs for property, plant and equipment and interest rate range:

	2023	2022
Amount of capitalization	$ -	$ 45
Interest rate collars of capitalization	-	0.87%~1.11%

2. Details of the property, plant and equipment pledged to others as collateral are provided in Note 8.
3. Due to legal restrictions, part of the land of the Group is held in the name of another person and a mortgage is created to the Group. Please refer to Note 7 for details.

(VI) Lease transactions - lessees

1. The underlying assets leased by the Group are the offices, land for mining use, parking spaces and company vehicles, and the term of lease is normally between 2020 and 2026. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merger, among other forms.
2. Information on the carrying amount of the right-of-use assets and the recognized depreciation expenses is as follows:

	2023			
	Land	Buildings	Transportation equipment	Total
January 1				
Cost	$ 7,265	$ 60,350	$ 1,729	$ 69,344
Accumulated depreciation	(4,525)	(19,999)	(1,434)	(25,958)
	$ 2,740	$ 40,351	$ 295	$ 43,386
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	(1,781)	(12,881)	(420)	(15,082)
December 31	$ 959	$ 30,265	$ 627	$ 31,851
December 31				
Cost	$ 7,265	$ 63,145	$ 752	$ 71,162
Accumulated depreciation	(6,306)	(32,880)	(125)	(39,311)
	$ 959	$ 30,265	$ 627	$ 31,851

	2022			
	Land	Buildings	Transportation equipment	Total
January 1				
Cost	$ 9,460	$ 131,320	$ 1,687	$ 142,467
Accumulated depreciation	(4,501)	(32,062)	(844)	(37,407)
	$ 4,959	$ 99,258	$ 843	$ 105,060
January 1	$ 4,959	$ 99,258	$ 843	$ 105,060
Addition-Newly added lease contracts	-	780	-	780
Cost of derecognition	(2,195)	(487)	-	(2,682)
Accumulated depreciation on the de-booking date	2,195	487	-	2,682
Lease contract modifications - costs	-	(71,263)	42	(71,221)
Lease contract modifications - accumulated depreciation	-	32,662	-	32,662
Depreciation expense	(2,219)	(21,086)	(590)	(23,895)
December 31	$ 2,740	$ 40,351	$ 295	$ 43,386
December 31				
Cost	$ 7,265	$ 60,350	$ 1,729	$ 69,344
Accumulated depreciation	(4,525)	(19,999)	(1,434)	(25,958)
	$ 2,740	$ 40,351	$ 295	$ 43,386

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

	December 31, 2023	December 31, 2022
Total amount of lease liabilities	$ 38,147	$ 47,977
Less: Due within one year (listed as lease liabilities - current)	(20,174)	(18,494)
	$ 17,973	$ 29,483

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

	2023	2022
Items affects the income of the current period		
Interest expenses of lease liabilities	$ 397	$ 607
Expenses of short-term lease contracts	$ 576	$ -
Gains on lease modifications	$ -	$ 175

5. The total cash outflow for the lease of the Group in 2023 and 2022 was NT$14,350 and NT$22,666, respectively.

6. On March 31, 2022, the Company agreed to terminate the lease contract on the Taipei Port cement powder inventory, storage, and transfer system with Taipei Port Terminal Company Limited. Therefore, the Company reduced the cost of right-of-use assets by NT$71,263, accumulated depreciation by NT$32,662, and lease liabilities by NT$38,776, and recognized gains on lease modifications of NT$175.

7. Yilan Luodong Business Area No. 70, 71, 73-75, 80, 82-85, and Nan'ao Business Area No. 27 and 28 were leased by the Company for mineral field use. As said leases expired on June 18, 2020. The Company has applied to the competent authorities for the renewal of the leases. The application for renewal of the lease of the mining land for auxiliary facilities was completed in January 2023, and the lease term will end on June 18, 2024.

(VII) Intangible assets

	2023			
	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)
	$ 112,410	$ -	$ 60,900	$ 173,310
January 1	$ 112,410	$ -	$ 60,900	$ 173,310
Addition	-	-	5,524	5,524
Cost of derecognition	-	-	(1,129)	(1,129)
Accumulated amortization on the derecognition date	-	-	1,129	1,129
Amortization	-	-	(8,560)	(8,560)
December 31	$ 112,410	$ -	$ 57,864	$ 170,274
December 31				
Cost	$ 234,798	$ 30,000	$ 118,848	$ 383,646
Accumulated amortization	(60,416)	(30,000)	(49,744)	(140,160)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	$ 112,410	$ -	$ 57,864	$ 170,274

	2022			
	Mineral source	Trademark rights, patent rights and service concession	Others	Total
January 1				
Cost	$ 234,798	$ 30,000	$ 90,176	$ 354,974
Accumulated amortization	(60,416)	(28,500)	(34,137)	(123,053)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	$ 112,410	$ 1,500	$ 44,799	$ 158,709
January 1	$ 112,410	$ 1,500	$ 44,799	$ 158,709
Addition	-	-	24,277	24,277
Amortization	-	(1,500)	(8,176)	(9,676)
December 31	$ 112,410	$ -	$ 60,900	$ 173,310
December 31				
Cost	$ 234,798	$ 30,000	$ 114,453	$ 379,251
Accumulated amortization	(60,416)	(30,000)	(42,313)	(132,729)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	$ 112,410	$ -	$ 60,900	$ 173,310

Details of amortization of intangible assets are as follows:

	2023	2022
Operation cost	$ 7,820	$ 7,444
Operating Expenses	740	2,232
	$ 8,560	$ 9,676

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

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

However, to ensure the equity and efficiency of the Company's assets, if the mining land for mining sources legally held can be expanded and continued to be mined, it will make a reasonable contribution to the Company's future profits. The Yilan Lankan Stone Mine expansion case was filed with The High Administrative Court on September 9, 2021, but the administrative lawsuit was dismissed on February 29, 2024 by the Taipei High Administrative Court judgment year 2021 Su-Zi No. 1062. The Company has already make a provision for impairment loss. Hence, there is no material impact on the Company's finance or business of the judgment results. The Company will file an appeal within the statutory time limit. As of March 13, 2024, the appeal is in process.

The mining and transportation method for the Hualien Huahsin Mine expansion application was to borrow another entity's road. However, because the consent to pass through the adjacent mines was not obtained, the Company took the initiative to withdraw the application and will file another application after re-planning. As of the March 13, 2024, the relevant planning is still in progress and the application procedure has not yet been completed.

(VIII) Short-term borrowings

	December 31, 2023	December 31, 2022
Credit bank loan	$ 750,000	$ 950,000
Interest rate collars	1.78%~1.83%	1.60%~1.90%

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

	December 31, 2023	December 31, 2022
Guarantee notes	$ 1,650,000	$ 1,350,000

(IX) Short-term notes and bills payable

	December 31, 2023	December 31, 2022
Commercial papers payable	$ 270,000	$ 310,000
Less: Unamortized discount	(64)	(168)
	$ 269,936	$ 309,832
Interest rate collars	1.32%~1.61%	1.00%~1.78%

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

	December 31, 2023	December 31, 2022
Guarantee notes	$ 650,000	$ 650,000

(X) Other payables

	December 31, 2023	December 31, 2022
Salary and wages payable	$ 137,707	$ 119,614
Electricity bill payable	29,487	25,188
Commodity tax payable	16,854	13,050
Payables on equipment	13,065	31,937
Business tax payable	11,456	3,197
Other Payable	31,246	20,596
	$ 239,815	$ 213,582

(XI) Long-term borrowings

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	900,000
				$ 2,500,000

Nature of loan	Loan period and borrowing method	Interest rate collars	Guarantee	December 31, 2022
Long-term bank loan				
Secured loan	From September 1, 2022 to August 31, 2024, monthly payment of interest, re-payment on maturity.	1.725%	Note	$ 1,500,000
Credit Loan	From September 13, 2021 to February 22, 2025, monthly payment of interest, re-payment on maturity.	1.64% ~2.18%	Note	1,050,000
				2,550,000
Less: Long-term borrowings due within one year or one operating cycle				(550,000)
				$ 2,000,000

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:

	December 31, 2023	December 31, 2022
Guarantee notes	$ 2,000,000	$ 2,050,000

(XII) Pensions

1.(1) Ruentex Interior Design has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. Ruentex Interior Design contributes monthly an amount equal to 2% of employees' monthly salaries and wages to the retirement fund deposited with the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, Ruentex Interior Design assesses the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension, calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, Ruentex Interior Design will make contributions to cover the deficit by the end of next March.

(2) The amounts recognized in the balance sheet are determined as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	($ 19,136)	($ 18,027)
Fair value of plan assets	8,219	7,474
Defined benefit liability (listed as non-current liabilities)	($ 10,917)	($ 10,553)

(3) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligation	Fair value of plan assets	Defined benefit liability
Balance, January 1	($ 18,027)	$ 7,474	($ 10,553)
Interest (expense) revenue	(232)	96	(136)
	(18,259)	7,570	(10,689)
Remeasurements:			
Return on plan assets (Other than the amount included in interest revenue or expense)	-	68	68
Effects of changes in economic assumptions	(154)	-	(154)
Experience adjustments	(723)	-	(723)
	(877)	68	(809)
Contribution to pension fund	-	581	581
Balance, December 31	($ 19,136)	$ 8,219	($ 10,917)

	2022		
	Present value of defined benefit obligation	Fair value of plan assets	Defined benefit liability
Balance, January 1	($ 18,443)	$ 6,780	($ 11,663)
Current service cost	(130)	-	(130)
Interest (expense) revenue	(127)	47	(80)
	(18,700)	6,827	(11,873)
Remeasurements:			
Return on plan assets (Other than the amount included in interest revenue or expense)	-	523	523
Effects of changes in demographic assumptions	(2)	-	(2)
Effects of changes in economic assumptions	1,003	-	1,003
Experience adjustments	(328)	-	(328)
	673	523	1,196
Contribution to pension fund	-	124	124
Balance, December 31	($ 18,027)	$ 7,474	($ 10,553)

(4) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being

authorized by the Regulator. Ruentex Interior Design has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan asset fair value in accordance with IAS 19 Paragraph 142. The composition of fair value of plan Assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(5) The principal actuarial assumptions used were as follows:

	2023	2022
Discount rate	1.20%	1.30%
Future salary increase in percent	3.00%	3.00%

The future mortality rates in 2023 and 2022 were both estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increase in percent	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effects on the present value of a defined benefit obligation	($ 382)	$ 393	$ 386	($ 376)
December 31, 2022				
Effects on the present value of a defined benefit obligation	($ 395)	$ 408	$ 400	($ 390)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions used for the preparation of sensitivity analysis the current period are the same as the ones of the previous period.

(6) Expected contributions to the defined benefit pension plans of Ruentex Interior Design for the year ending December 31, 2024 amounts to NT$147.

(7) As of December 31, 2023, the weighted average duration of that retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

Less than 1 year	$	525
1-2 years		2,197
2-5 years		3,944
More than 5 years		14,172
	$	20,838

2.(1) The Group has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality.

Under the New Plan, the Group contributes monthly an amount based on 6% of employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance.

The benefits accrued are paid monthly or in lump sum upon termination of employment.

(2) The pension costs under the defined contribution pension plans of the Group for 2023 and 2022 were NT$16,291 and NT$13,922 respectively.

(XIII) Capital

1. The number of outstanding shares of the Company as of December 31, 2023 and 2022 were both 150,000 thousand shares, and the number of shares in 2023 and 2022 remained unchanged.
2. As of December 31, 2023, the Company's authorized capital was NT$2,000,000, and the paid-in capital was NT$1,500,000 with a par value of NT$10 per share; all shares are issued as ordinary shares. All proceeds from shares issued have been collected.

(XIV) Capital surplus

1. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
2. Please see Note 6(25) for the details of capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries.

(XV) Retained earnings

1. Under the Articles of Incorporation of the Company, the earnings, if any, shall be distributed after close of the year as follows:
   (1) First pay income tax.
   (2) Make up loss accumulated in previous year, if any.
   (3) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
   (4) Amortize or rotate special reserve as required by law or the competent authority.
   (5) For the balance after deduction of the sums under the preceding Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.
2. The Company sets its dividend policy pursuant to the Company Act and the Company's Articles of Incorporation, taking into account the Company's finances, business, operation, capital budget, and so on factors in maintaining the shareholders' interests, balancing dividends, and the Company's long-term financial plan. Each year, the Board of Directors proposes the appropriation of earnings according to laws and submits the proposal to the shareholders' meeting for approval. The appropriation of earnings shall be made with considerations of various factors such as the Company's finances, business, and operation aspects. Dividends may be distributed in the form of cash or shares, provided, however, that cash dividends distributed in respect of any fiscal year shall not exceed 10% of the total shareholders' dividends distributed.
3. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
5. On May 31, 2022, the Company approved the reversal of the 2021 special reserve of NT$28,369 by resolution of the shareholders' meeting and offset the deficit with the legal reserve of NT$74,680. The calculation of the deficit to be offset is as follows:

		2021
Retained earnings on January 1, 2021	$	130,803
Appropriation and distribution of retained earnings of 2020		
-Profit set aside as legal reserve	(	13,033)
-Provision of special reserves	(	1,841)
- Cash dividend	(	115,500)
Net loss after tax	(	103,741)
Remeasurements of defined benefit plans with actuarial valuation		263
Profit reversed as special reserve		28,369
Cumulative deficit to be offset on December 31, 2021	($	74,680)

6.(1) The Company's earning distribution plan for the year ended December 31, 2022 approved by the shareholders' meeting on May 22, 2023 is as follows:

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

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

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

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

(XVI) Operation Income

	2023	2022
Revenue from contracts with customers:		
Revenue from sales of goods	$ 3,852,786	$ 3,062,165
Revenue from construction contracts	1,537,295	1,078,091
Other revenue from contracts	110,791	108,919
	$ 5,500,872	$ 4,249,175

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:

2023	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	$ 2,052,721	$ 1,919,785	$ 1,537,295	$ 5,509,801
Revenue from internal department transactions	-	(8,929)	-	(8,929)
Revenue from contracts with external customers	$ 2,052,721	$ 1,910,856	$ 1,537,295	$ 5,500,872
Timing of revenue recognition				
Revenue recognized at a point in time	$ 2,052,721	$ 1,910,856	$ -	$ 3,963,577
Revenue recognized over time	-	-	1,537,295	1,537,295
	$ 2,052,721	$ 1,910,856	$ 1,537,295	$ 5,500,872

2022	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	$ 1,670,900	$ 1,503,661	$ 1,078,656	$ 4,253,217
Revenue from internal department transactions	-	(3,477)	(565)	(4,042)
Revenue from contracts with external customers	$ 1,670,900	$ 1,500,184	$ 1,078,091	$ 4,249,175
Timing of revenue recognition				
Revenue recognized at a point in time	$ 1,670,900	$ 1,500,184	$ -	$ 3,171,084
Revenue recognized over time	-	-	1,078,091	1,078,091
	$ 1,670,900	$ 1,500,184	$ 1,078,091	$ 4,249,175

2. As of December 31, 2023 and 2022 for the signed construction contracts, the aggregated amounts of the transaction amount allocated to the unsatisfied contract performance, and the estimated recognition years are as the following:

Year	Year of the estimated recognized revenues	Amounts of the signed contracts
2023	2024 ~ 2026	$ 1,381,001
2022	2023 ~ 2026	$ 1,031,986

3. Contract assets and contract liabilities

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract asset:			
Contract asset - Retainable receivable (including related parties)	$ 13,150	$ 16,038	$ 3,206
Contract asset - Construction contract	364,587	396,635	181,467
Total	$ 377,737	$ 412,673	$ 184,673
Contract liability:			
Contract liabilities - Construction materials contract (related parties included)	$ 23,527	$ 18,078	$ 35,210
Contract liability - Construction contract	26,825	14,643	6,434
Total	$ 50,352	$ 32,721	$ 41,644

4. Contract assets and contract liabilities related to aforementioned contracts recognized as of December 31, 2023 and 2022, and as of January 1, 2022:

	December 31, 2023	December 31, 2022	January 1, 2022
Total costs incurred plus profits recognized (less losses recognized)	$ 1,552,369	$ 889,620	$ 469,793
Less: Amount requested for progress of works	(1,214,607)	(507,628)	(294,760)
Status of net assets and liabilities of ongoing contracts	$ 337,762	$ 381,992	$ 175,033

(XVII) Operation cost

	2023	2022
Cost of sales of goods	$ 3,628,693	$ 2,963,047
Cost of construction contract	1,240,012	861,710
Other costs from contracts	7,153	5,395
	$ 4,875,858	$ 3,830,152

(XVIII) Interest revenue

	2023	2022
Interest on cash in banks	$ 3,274	$ 2,107
Interest income from the financial assets measured at amortized costs	569	317
	$ 3,843	$ 2,424

(XIX) Other income

	2023	2022
Dividend income	$ 19,597	$ 31,472
Provisions transferred to other income	1,680	1,580
Rent income	1,116	1,116
Gains on write-off of accounts payable past due	748	25
Income from claims	144	-
Other payables transferred to other income	52	-
Other income	3,923	3,031
	$ 27,260	$ 37,224

(XX) Other gains and losses

	2023	2022
Foreign exchange net (loss) gain	($ 1,992)	$ 1,965
Gain (loss) on foreign currency valuation	(49)	153
Gains on lease modifications	-	175
Others	(656)	(1,230)
	($ 2,697)	$ 1,063

(XXI) Financial Costs

	2023	2022
Interest expense:		
Bank loan	$ 63,889	$ 40,092
Lease liabilities	397	607
Less: Amount eligible for capitalization	-	(45)
	$ 64,286	$ 40,654

(XXII) Additional information of expenses by nature

	2023	2022
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	$ 2,238,592	$ 1,824,821
Contract work	1,200,483	833,784
Employee benefit expense	518,772	444,371
Depreciation expenses for property, plant and equipment	230,107	195,679
Depreciation expenses for right-of-use assets	15,082	23,895
Depreciation and amortization expenses of intangible assets	8,560	9,676
Other expense	998,968	780,685
Operating costs and expenses	$ 5,210,564	$ 4,112,911

(XXIII) Employee benefit expense

	2023	2022
Wages and salaries	$ 430,832	$ 368,830
Labor and Health Insurance costs	36,876	31,750
Pension expense	16,427	14,132
Directors' Remuneration	5,943	4,908
Other employment fees	28,694	24,751
	$ 518,772	$ 444,371

1. According to the Articles of Incorporation, the Company shall appropriate at least 1% of the remainder of the profit for the year as profit sharing remuneration for employees after deducting the accumulated losses from the profit for the current year. None will be distributed for director remuneration.

2.(1) For the years ended December 31, 2023 and 2022, employees' compensation was accrued at NT$1,240 and NT$466, respectively. The aforementioned amounts were recognized in salary expenses.

(2) Employees' compensation was estimated and accrued based on 1% of distributable profit of the current year for the year ended December 31, 2023. The employees' compensation resolved by the Board of Directors on March 13, 2024 was NT$1,240, which will be distributed in the form of cash.

(3) As resolved by the Board of Directors on March 10, 2023, the remuneration to

employees for 2022 is consistent with the remuneration to employees of NT$466 recognized in the 2022 financial statements. The 2022 employees' compensation was distributed in the form of cash.

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

(XXIV) Income tax

1. Income tax expense

(1) Components of income tax expense:

	2023	2022
Current income tax:		
Income tax occurred in the current period	$ 43,880	$ 25,148
Extra imposed on undistributed earnings	-	5
Underestimation on income tax for prior years	2	2,994
Total income tax for current period	43,882	28,147
Deferred income tax:		
Origination and reversal of temporary differences	(408)	1,272
Tax loss	-	3,915
Total deferred income tax	(408)	5,187
Income tax expense	$ 43,474	$ 33,334

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

	2023	2022
Remeasurements of defined benefit obligation	$ 162	($ 239)
Changes in fair value through other comprehensive income	191	(1,447)
	$ 353	($ 1,686)

2. Reconciliation between income tax expense and accounting profit

	2023	2022
Imputed income taxes on pre-tax income at a statutory tax rate	$ 50,886	$ 27,264
Expenses to be excluded as stipulated in the tax law	127	232
Income with exemption from tax as stipulated in the tax law	(3,919)	(5,749)
Temporary differences on unrealized deferred income tax assets	(541)	-
Income tax effects of investment tax credits	(3,081)	-
Tax loss on unrealizable deferred income tax assets	-	5,293
Changes in realizability evaluation on deferred income tax assets	-	3,295
Underestimation on income tax for prior years	2	2,994
Extra imposed on undistributed earnings	-	5
Income tax expense	$ 43,474	$ 33,334

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

	2023			
	January 1	Recognized in profit and loss	Recognized in other comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Allowance for loss on market value decline of inventory	$ 194	$ 329	$ -	$ 523
Unrealized sales discounts	2,157	948	-	3,105
Unrealized impairment loss	26,185	(992)	-	25,193
Actuarial gains and losses of pension	430	-	162	592
Pension exceeding the limits	1,682	(90)	-	1,592
Warranty provision	1,078	203	-	1,281
	31,726	398	162	32,286
Deferred income tax liability:				

- Temporary differences:				
Unrealized gains on financial assets	(3,607)	-	191	(3,416)
Unrealized foreign exchange gains	(30)	10	-	(20)
	(3,637)	10	191	(3,436)
	$ 28,089	$ 408	$ 353	$ 28,850

	2022			
	January 1	Recognized in profit and loss	Recognized in other comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Allowance for loss on market value decline of inventory	$ 1,379	($ 1,185)	$ -	$ 194
Unrealized sales discounts	1,622	535	-	2,157
Unrealized impairment loss	27,872	(1,687)	-	26,185
Unrealized foreign exchange losses	1	(1)	-	-
Actuarial gains and losses of pension	669	-	(239)	430
Pension exceeding the limits	1,664	18	-	1,682
Warranty provision	-	1,078	-	1,078
- Tax loss	3,915	(3,915)	-	-
	37,122	(5,157)	(239)	31,726
Deferred income tax liability:				
- Temporary differences:				
Unrealized gains on financial assets	(2,160)	-	(1,447)	(3,607)
Unrealized foreign exchange gains	-	(30)	-	(30)
	(2,160)	(30)	(1,447)	(3,637)
	$ 34,962	($ 5,187)	($ 1,686)	$ 28,089

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

(XXV) Non-controlling Interest

Disposal of equity in subsidiaries (without losing control)

The Company sold a 3.7% stake in its subsidiary, Ruentex Interior Design, on July 19, 2022, with a consideration (less the securities exchange tax) received totaling NT$29,910. The carrying amount of Ruentex Interior Design's non-controlling interests on the date of the sale was NT$228,505; with that, the non-controlling interests increased by NT$13,850, and the equity attributable to the owners of the parent company increased by NT$16,060. The effects of changes in Ruentex Interior Design's equity in 2022 on the equity attributable to the owners of parent are as follows:

	2022	
Consideration received from the non-controlling interests	$	29,910
Carrying amount of non-controlling interests disposed of	(	13,850)
Other equities	(	984)
Capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	$	15,076

(XXVI) Earnings per share

	2023		
	After-tax amount	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
Basic earnings per share			
Net income attributable to ordinary shareholders of the parent	$ 114,983	150,000	$ 0.77
Diluted earnings per share			
Net income attributable to ordinary shareholders of the parent	$ 114,983	150,000	
Impact of potential diluted ordinary shares			
Remuneration to employee	-	53	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	$ 114,983	150,053	$ 0.77

	2022		
	After-tax amount	Number of shares outstanding (thousand shares) at the end of the period	Earnings per share (NTD)
Basic earnings per share			
Net income attributable to ordinary shareholders of the parent	$ 38,108	150,000	$ 0.25
Diluted earnings per share			
Net income attributable to ordinary shareholders of the parent	$ 38,108	150,000	
Impact of potential diluted ordinary shares			
Remuneration to employee	-	20	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	$ 38,108	150,020	$ 0.25

(XXVII) Cash flow supplementary information

1. Investing activities not affecting cash flow:

	2023	2022
Prepayments for business facilities reclassified to property, plant and equipment	$ 49,910	$ 22,109

2. Investing activities paid partially by cash:

	2023	2022
Acquisition of financial assets at fair value through other comprehensive income	$ -	$ 436,016
Add: Other investment payables at the beginning of the period	-	5,857
Cash payments for current period	$ -	$ 441,873

	2023	2022
Acquisition of property, plant and equipment	$ 304,552	$ 258,550
Add: Payables for equipment at the beginning of the period	31,937	36,364
Less: Payables for equipment at the end of the period	(13,065)	(31,937)
Cash payments for current period	$ 323,424	$ 262,977

(XXVIII) Changes of liabilities from financing activities

	2023					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities - current and non-current	Long-term borrowings	Non-current liabilities (guarantee deposits received)	Total liabilities from financing activities
January 1	$ 950,000	$ 309,832	$ 47,977	$ 2,550,000	$ 7,562	$ 3,865,371
Changes of the financing cash flows	(200,000)	(40,000)	(13,377)	(50,000)	(21)	(303,398)
Addition-Newly added lease contracts	-	-	3,547	-	-	3,547
Other non-cash changes	-	104	-	-	-	104
December 31	$ 750,000	$ 269,936	$ 38,147	$ 2,500,000	$ 7,541	$ 3,565,624

	2022					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities - current and non-current	Long-term borrowings	Non-current liabilities (guarantee deposits received)	Total liabilities from financing activities
January 1	$ -	$ 239,824	$ 107,990	$ 2,500,000	$ 7,562	$ 2,855,376
Changes of the financing cash flows	950,000	70,000	(22,059)	50,000	-	1,047,941
Addition-Newly added lease contracts	-	-	780	-	-	780
Lease contract modifications	-	-	(38,559)	-	-	(38,559)
Gains on lease modifications	-	-	(175)	-	-	(175)
Other non-cash changes	-	8	-	-	-	8
December 31	$ 950,000	$ 309,832	$ 47,977	$ 2,550,000	$ 7,562	$ 3,865,371

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

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

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

(III) Significant related party transactions and balances

1. Operating Revenue

	2023	2022
Sales of goods:		
－The ultimate parent company	$ 64,743	$ 46,120
－The direct parent company	136,259	129,812
- Fellow subsidiary	3,540	2,463
- Other related parties	8,371	3,594
Contract of construction:		
－The ultimate parent company	334,910	376,333
－The direct parent company	15,779	46,495
- Fellow subsidiary	349,900	48,303
- Other related parties	28,567	53,087
	$ 942,069	$ 706,207

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

	December 31, 2023	December 31, 2022
Notes receivable:		
－The ultimate parent company	$ 1,563	$ 52
－The direct parent company	3,895	350
- Fellow subsidiary	45	-
	$ 5,503	$ 402
Accounts receivable		
－The ultimate parent company	$ 56,675	$ 41,484
－The direct parent company	28,192	32,654
－Ruentex Innovative Development	146,567	-
- Fellow subsidiary	14,447	3,542
- Other related parties	2,121	857
	$ 248,002	$ 78,537

3. Contract assets - retainable receivables

	December 31, 2023	December 31, 2022
—The ultimate parent company	$ 2,627	$ 10,284
—The direct parent company	1,086	3,820
- Fellow subsidiary	8,746	607
	$ 12,459	$ 14,711

4. Incomplete work of construction contracting and advance construction receipts

	December 31, 2023		December 31, 2022	
	Total contract amount (tax excluded)	Amount requested for progress of works	Total contract amount (tax excluded)	Amount requested for progress of works
Ruentex Development	$ 864,591	$ 71,093	$ 1,071,087	$ 214,151
Ruentex Innovative Development	651,107	306,185	32,937	11,558
The direct parent company	49,981	20,643	70,871	41,692
Fellow subsidiary	-	-	55,713	1,846
Other related parties	29,516	25,680	25,394	17,120
	$ 1,595,195	$ 423,601	$ 1,256,002	$ 286,367

5. Balance of accounts payable from related parties

	December 31, 2023	December 31, 2022
Notes payable:		
—The direct parent company	$ 391	$ 1,693
- Fellow subsidiary	-	15
- Other related parties	330	156
	$ 721	$ 1,864
Accounts payable:		
—The direct parent company	$ 2,058	$ 1,842
Other payables (Note):		
—The ultimate parent company	$ 8	$ 8
—The direct parent company	-	194
- Fellow subsidiary	200	-
- Other related parties	410	296
	$ 618	$ 498

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

6. Property transactions

(1) Acquisition of financial Assets

Please refer to Notes 6(4)4. and 5.

(2) Property, plant and equipment acquired

For the construction of the Yilan Dongshan Plant Silica Sand Screening Warehouse Construction Project, the Company signed a project outsourcing contract with Ruentex Construction after approval of the Board of Directors on December 29, 2021, to outsource the project to Ruentex Construction; it obtained the license in June 2022. The final contract price and the payment made are both NT$42,804 and the payment was completed in August 2022.

7. Lease transactions - Lessee/rent expenses

Rent expenses of short-term lease contracts

	2023	2022
Fellow subsidiary	$ 343	$ -

8. The Company and the direct parent company signed and entered into an agreement in July 2021 on contract processing. The monthly payment is NT$980. If the monthly production surpasses 3,800 tonnes, an additional payment of NT$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). The contract was renewed in January 2023. The monthly payment is NT$1,200. If the monthly production surpasses 3,800 tonnes, an additional payment of NT$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). For the year ended December 31, 2023 and 2022, processing expenses of NT$14,400 and NT$11,760 were recognized, respectively.

9. The Company and the direct parent company signed and entered into an agreement in August 2022 on contract processing. The monthly payment is NT$632. If the monthly production surpasses 2,000 tonnes, an additional payment of NT$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). For the year ended December 31, 2023 and 2022, processing expenses of NT$7,584 and NT$3,160 were recognized, respectively.

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

	December 31, 2023	December 31, 2022
The direct parent company	$ 88,368	$ 31,254
Key management personnel	$ 6,300,000	$ 5,850,000

11. Related party who owns the land based on a trust deed

A portion of the Company's land is agricultural land. Due to legal restrictions, the Consolidated Company is not entitled to the property rights of the aforementioned land. Therefore, the property rights of the agricultural land obtained in 2009, 2010, 2015, and 2020 were registered to the chief management and pledged as collateral to the Company. As of December 31, 2023, the carrying value of agricultural and animal husbandry land was NT$84,306 under "Property, plant and equipment."

(IV) Key management compensation information

	2023		2022	
Wages and salaries and short-term employee benefits	$	72,157	$	66,889
Post-employment benefits		990		1,002
Termination benefits		-		495
Total	$	73,147	$	68,386

VIII. Pledged Assets

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

	Carrying amount				
Asset items	December 31, 2023		December 31, 2022		For guarantee purpose
Other financial assets-current (listed as Other Current Assets)	$	16,960	$	28,736	Performance bond
Property, plant, and equipment		1,527,041		1,552,610	Long-term borrowings and guarantee quota
Other financial assets - non-current (listed as "other non-current assets")		91,856		91,819	Performance bond
	$	1,635,857	$	1,673,165	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

Please refer to Note 6(7).

(II) Commitments

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

1. As of December 31, 2023, the total amount of the construction and decoration contracts entered into by the Group for construction projects was NT$1,790,840. Amounts of

NT$771,060 have been paid, and the remainder will be paid based on the stage of completion.

2. As of December 31, 2023, the amounts of letters of credit issued by the Group but not yet used are USD 139 thousand and EUR 106 thousand, respectively.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Other than those described in Notes 6(7), (15) and (23), there are no other significant subsequent events.

XII. Others

(I) Capital management

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

The strategy in 2023 of the Group maintained the same strategy of 2022. As of December 31, 2023 and 2022, the debt to total assets ratio was as follows:

	December 31, 2023	December 31, 2022
Total borrowings	$ 3,520,000	$ 3,810,000
Less: Cash and cash equivalents	(300,262)	(652,743)
Net debt	3,219,738	3,157,257
Total equity	2,603,449	2,499,900
Total capital	$ 5,823,187	$ 5,657,157
Debt-to-total-capital ratio	55.29%	55.81%

(II) Financial instruments

1. Type of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 300,262	$ 652,743
Financial assets measured by amortized cost – current	-	75,000
Notes receivable (including related parties)	173,990	162,706
Accounts receivable (including related parties)	1,117,559	756,625
Other receivables	4,286	573
Refundable deposits (listed as other non-current assets)	23,648	23,305
Other financial assets (listed as other current assets and other non-current assets)	108,816	120,555
Financial Assets at fair value through other comprehensive income acquired		
Equity instrument investments by the option to designate	638,199	645,023
	$ 2,366,760	$ 2,436,530

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities are carried at amortized cost		
Short-term borrowings	$ 750,000	$ 950,000
Short-term bills payable	269,936	309,832
Notes payable (including related parties)	137,298	105,991
Accounts payable (including related parties)	742,545	630,539
Other payables (including related parties)	240,433	214,080
Long-term borrowings (including due within one year or one operating cycle)	2,500,000	2,550,000
Guarantee deposits received (listed as other non-current liabilities)	7,541	7,562
	$ 4,647,753	$ 4,768,004
Lease liabilities - current and non-current	$ 38,147	$ 47,977

2. Risk management policies

(1) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk.

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

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

A. The Group's risk management's objective is to manage currency exchange risk, interest risk, credit risk, and liquidity risk regarding operating activities. To reduce relevant financial risks, the Group is devoted to identifying, evaluating, and circumventing market uncertainties to mitigate the potential negative impacts on the company's financial performance due to market movements.

B. The Group's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be affected by exchange rate fluctuations is as follow:

	December 31, 2023				
				Sensitivity analysis	
(Foreign currency: Functional currency)	Amount in foreign currency (NT$ Thousand)	Exchange rate measurement at the end of the period	Carrying amount (NT$)	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

(Foreign currency: Functional currency)	December 31, 2022				
				Sensitivity analysis	
	Amount in foreign currency (NT$ Thousand)	Exchange rate measurement at the end of the period	Carrying amount (NT$)	Range of variation	Effects on profit and loss
Financial assets - Monetary items					
USD:NTD	$ 43	30.71	$ 1,321	1%	$ 13
Financial liabilities - Monetary items					
USD:NTD	202	30.71	6,203	1%	62

C. Foreign exchange risk has significant impact on the Group, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were losses of NT$2,041 and income NT$2,118, for the years ended December 31, 2023 and 2022, respectively.

Price risk

A. The Group's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

B. The Group mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, other comprehensive income due to classification to gains or losses of equity investments at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by NT$6,382 and NT$6,450.

Cash flow and fair value interest rate risk

A. The Group's interest rate risk arises from short- and long-term borrowings with floating interest rates that expose the Group to cash flow interest rate risk. For 2023 and 2022, the borrowing of the Group at the floating interest rate was mainly calculated in NTD.

B. The borrowing of the Group was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract.

Therefore, the Group is exposed to the risk of future market interest rate changes.

C. If interest rates on borrowings had been 0.1% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2023 and 2022 would have increased/decreased NT$2,600 and NT$2,800, respectively, due to change of interest expenses of borrowings at variable interest rate.

(2) Credit risk

A. Credit risk refers to the risk of financial loss to the Group arising from default by clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to counterparties' inability to repay the accounts payable according to the payment terms.

B. The Group established management of credit risk from the Group's perspective. According to the internally specified credit extension policy, before each operating entity and each new customer establish the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.

C. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.

D. The Group uses IFRS 9 to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.

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

E. The Group classifies the accounts payable of customers according to the characteristics of customer type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.

F. After the collection procedures, the amount of financial assets that cannot be reasonably estimated will be written-off. However, the Group will continue to pursue the legal right of recourse to protect its claims.

G. The Group used the forecasting ability of the Taiwan Institute of Economic Research report to adjust historical and timely information to assess the default possibility and estimate impairment provisions for accounts receivable (including related parties) and contract assets (including related parties). As of December 31, 2023 and 2022, the loss rate methodology is as follows:

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

	Group I	Group 2	Total
December 31, 2022			
Expected loss	0.01~0.03%	0.26%~100%	
Total carrying amount	$ 969,430	$ 203,395	$ 1,172,825
Allowance for losses	$ 121	$ 3,406	$ 3,527

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:

	2023	2022
	Accounts receivable	Accounts receivable
January 1	$ 3,527	$ 3,862
Provision of impairment loss	3,617	-
Reversal of impairment loss	-	(335)
December 31	$ 7,144	$ 3,527

(3) Liquidity risk

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

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

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

	December 31, 2023	December 31, 2022
Due within one year	$ 800,000	$ 431,829
Due longer than one year	1,067,185	886,103
	$ 1,867,185	$ 1,317,932

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: 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: December 31, 2022	3 months and below	Within 3 months to 1 year	More than 1 year
Short-term borrowings	$ 950,000	$ -	$ -
Short-term notes and bills payable (Note)	310,000	-	-
Notes payable (including related parties)	105,277	714	-
Accounts payable (including related parties)	250,182	323,517	56,840
Other payables (including related parties)	210,310	95	3,675
Lease liabilities - current (Note)	7,476	11,451	-
Long-term borrowings (including due within one year or one operating cycle) (Note)	11,264	581,076	2,017,250
Lease liabilities - non-current (Note)	-	-	29,807
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,562

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

(III) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments other than those measured at fair value

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

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	$ 638,199	$ -	$ -	$ 638,199

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	$ 645,023	$ -	$ -	$ 645,023

4. The Group’s financial instruments are traded in active markets, their fair value is measured based on the market quotation at the end of the balance sheet date. The market is deemed to be an active market when the quotation can be obtained instantly and regularly from the stock exchange, dealer, broker, industry, rating agencies, and regulatory body, and that the quotation represents the actual and regular market transactions conducted under the basis of a normal transaction. The market price of the financial assets held by the Group is the closing market price. These instruments belong to Level 1. Level 1 instruments are mainly equity instruments. Their classification is financial assets at fair value through other comprehensive income.
5. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

XIII. Separately Disclosed Items

(I) Information on significant transactions

1. Loans to others: None.
2. Endorsement/guarantee provided for others: None.
3. Holding of marketable securities at the end of the period (not including subsidiaries): Please refer to Table 1.
4. Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 2.
8. Receivables from related parties reaching NT$ 100 million or 20% of paid-in capital or more: Please refer to Table 3.
9. Engaged in trading of derivative instruments undertaken during the reporting periods: None.
10. Business relationships and significant intercompany transactions and amounts between a parent and its subsidiary company, or between its subsidiaries: Transaction amounts reaching NT$10,000 thousand shall be disclosed in terms of assets and revenue. There are no business relationships or important transactions between the parent and subsidiaries amounting to $10,000 thousand or more in 2023.

(2) Information on investees

Names, locations, and other information of investees: Please refer to Table 4.

(3) Information regarding investment in China

None.

(4) Information on main investors

Please refer to Table 5.

XIV. Information on operating segments

(I) General information

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

(II) Measurement of segment information

1. The accounting policies of the Group's reportable operating segments is in a manner consistent with the significant accounting policies provided in Note 4.

2. The profit or loss for the operating segments of the Group is measured based on the operating net income (loss).

(III) Information on Departments

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

	2023			
	Cement business	Building materials business	Engineering and construction business	Total
External revenue	$ 2,052,721	$ 1,910,856	$ 1,537,295	$ 5,500,872
Internal departmental revenue	-	8,929	-	8,929
Departmental revenue	$ 2,052,721	$ 1,919,785	$ 1,537,295	$ 5,509,801
Net operating profit from the segment	$ 85,073	$ 22,932	$ 182,303	$ 290,308
Segment income (loss) includes:				
Depreciation expense	$ 186,736	$ 49,287	$ 9,166	$ 245,189
Amortization	924	7,436	200	8,560
	$ 187,660	$ 56,723	$ 9,366	$ 253,749

	2022			
	Cement business	Building materials business	Engineering and construction business	Total
External revenue	$ 1,670,900	$ 1,500,184	$ 1,078,091	$ 4,249,175
Internal departmental revenue	-	3,477	565	4,042
Departmental revenue	$ 1,670,900	$ 1,503,661	$ 1,078,656	$ 4,253,217
Operating net income (loss) from the segment	($ 2,197)	$ 14,493	$ 123,968	$ 136,264
Segment income (loss) includes:				
Depreciation expense	$ 161,636	$ 49,992	$ 7,946	$ 219,574
Amortization	563	8,900	213	9,676
	$ 162,199	$ 58,892	$ 8,159	$ 229,250

(IV) Reconciliation for segment income (loss)

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

	2023	2022
Net operating profit from the segment	$ 290,308	$ 136,264
Interest revenue	3,843	2,424
Interest Cost	(64,286)	(40,654)
Other items	24,563	38,287
Net income before tax from the segment	$ 254,428	$ 136,321

(V) Information on products and services

Revenue mainly comes from the sale of cement and building materials and contracts of construction. The statement of the revenue balance is the same as departmental information on external revenue in Note 14(3).

(VI) Geographical information

Geographical information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	2023		2022	
	Income	Non-current assets	Income	Non-current assets
Taiwan	$ 5,500,872	$ 3,874,220	$ 4,249,175	$ 3,798,764

The Group's geographical revenue was calculated based on regions in which the payments were received. Non-current assets included property, plants, and equipment, right-of-use assets, intangible assets and prepayments for business facilities, and excluded financial instruments.

(VII) Major customer information

Details of customers whose revenue of the Group accounts for more than 10% of the operating income on the consolidated statement of comprehensive income are as follows:

	2023			
	Total revenue	Cement Business Division	Building Materials Division	Contract of construction
Customer A	$ 793,661	$ 793,661	$ -	$ -

	2022			
	Total revenue	Cement Business Division	Building Materials Division	Contract of construction
Customer A	$ 680,903	$ 680,903	$ -	$ -

Ruentex Materials Co., Ltd. and its subsidiaries

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

December 31, 2023

Attached Table 1

Unit: NT$ thousands

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	$ 462,975	0.65	$ 462,975	
	Shares of OBI Pharma, Inc.	The direct parent company's representative of the juridical person director is the representative of the juridical person director of the company	Financial assets at fair value through other comprehensive income - non-current	117,337	8,143	0.05	8,143	
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	A company recognized using the equity method for the ultimate parent company of the Company	Financial assets at fair value through other comprehensive income - non-current	2,598,464	167,081	0.24	167,081	

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

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

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

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

Ruentex Materials Co., Ltd. and its subsidiaries

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

January 1 to December 31, 2023

Attached Table 2

Unit: NT$ thousands

(Except as Otherwise Indicated)

			Transaction conditions				Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)		Notes receivable/payable and accounts receivable/payable		
The company making the purchase (sale) of goods	Name of counterparty	Relationship	Purchase (sale) of goods	Amount	As a percentage of total purchases (sales) of goods (Note 4)	Credit period	Unit price	Credit period	Balance	As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)	Remark (Note 2)
Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Direct parent company of the Company	Sales of goods/Contract of construction	$ 151,752	3.81	The amount shall be collected in accordance with the term of the construction/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/sales contract	$ 32,087	3.88	
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	The ultimate parent company	Sales of goods/Contract of construction	350,667	23.04	The amount shall be collected in accordance with the term of the construction/services/sales contract	Negotiated price	The amount shall be collected in accordance with the term of the construction/services/sales contract	51,451	11.05	
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	Project solicitation	295,611	19.43	The amount shall be collected in accordance with the term of the construction contract	Negotiated price	The amount shall be collected in accordance with the term of the construction contract	146,567	31.46	

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

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

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

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

Ruentex Materials Co., Ltd. and its subsidiaries

Accounts receivable due from related parties amounting to at least $100 million or 20% of the paid-in capital

December 31, 2023

Attached Table 3

Unit: NT$ thousands

(Except as Otherwise Indicated)

The company recognized as receivables	Name of counterparty	Relationship	Balance of accounts receivable due from related parties (Note 1)	Turnover	Overdue accounts receivable due from related parties: Amount	Overdue accounts receivable due from related parties: Approach to handling	Period of receivables from related parties amount recovered later	Amount of loss allowance
Ruentex Interior Design Inc.	Ruentex Innovative Development Co. Ltd.	(A subsidiary of the ultimate parent company of the Company)	$ 146,567	4.03	$ -	$ -	$ 139,239	$ -

Note 1: Please fill in the value separately according the accounts receivable, notes receivable and other receivables.

Note 2: Paid-in capital refers to the paid-in capital of the parent. In the case of an issuer whose shares have no par value or have a par value other than NT$10, the monetary amount of the transaction of 20% of the paid-in capital shall be calculated at 10% of equity attributable to the owners of the parent as stated in the Balance Sheet.

Ruentex Materials Co., Ltd. and its subsidiaries

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

January 1 to December 31, 2023

Attached Table 4

Unit: NT$ thousands

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	35.19	$ 174,927	$ 148,069	$ 52,098	Subsidiaries

Ruentex Materials Co., Ltd. and its subsidiaries

Information on main investors

December 31, 2023

Attached Table 5

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