Ruentex Materials Co., Ltd.

Unconsolidated Financial Statements and Report of Independent Accountants

2023 and 2022

(Stock Code: 8463)

Company Address: 10F., No. 308, Sec. 2, Bade Rd., Taipei City

Telephone: (02) 8161-9989

Ruentex Materials Co., Ltd.

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

Contents

Item	Page/Number/Index
I. Cover page	1
II. Table of Contents	2 ~ 3
III. Independent Auditors' Report	4 ~ 8
IV. Unconsolidated Balance Sheets	9~ 10
V. Unconsolidated Statements of Comprehensive Income	11
VI. Unconsolidated Statements of Changes in Equity	12
VII. Unconsolidated Statements of Cash Flows	13~ 14
VIII. Notes to Unconsolidated Financial Statements	15 ~ 69
(I) History and Organization	15
(II) Date and Procedure for Approval of Financial Statements	15
(III) Application of New, Amended and Revised Standards and Interpretations	15~ 16
(IV) Summary of Significant Accounting Policies	16 ~ 28
(V) Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty	28
(VI) Details of Significant Accounts	29 ~ 53
(VII) Transaction with Related Parties	54 ~ 58
(VIII) Pledged Assets	58
(IX) Significant Contingent Liabilities and Unrecognized Commitments	58 ~ 59
(X) Significant Disaster Loss	59

Item	Page/Number/Index
(XI) Significant subsequent events	59
(XII) Others	59 ~ 68
(XIII) Separately Disclosed Items	68 ~ 69
(XIV) Information on Departments	69
IX. Details of Important Accounts	
Statement of cash and cash equivalents	Statement 1
Statement of notes receivable	Statement 2
Statement of accounts receivable	Statement 3
Statement of inventories	Statement 4
Statement of changes in financial assets measured at fair value through profit or loss - non-current	Statement 5
Statement of changes in investments accounted for using the equity method	Statement 6
Statement of short-term borrowings	Statement 7
Statement of short-term notes and bills payable	Statement 8
Statement of long-term borrowings	Statement 9
Statement of operating income	Statement 10
Statement of operating costs	Statement 11
Statement of production overheads	Statement 12
Statement of selling expenses	Statement 13
Statement of administrative expenses	Statement 14
Statement of research and development (R&D) expenses	Statement 15
Summarized statement of employee benefits, depreciation, depletion and amortization expenses incurred during the current period	Statement 16

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23003253

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

Audit Opinions

We have audited the accompanying financial statements of Ruentex Materials Co., Ltd., which comprise the unconsolidated balance sheets as of December 31, 2023 and 2022 and the unconsolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Audit Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit opinion of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's unconsolidated financial statements for the year ended December 31, 2023 are stated as follows:

Assessment on Recognition of Construction Contract Income - Construction Completion Progress

Description of Key Audit Matters

Regarding the accounting policy on operating revenue recognition, please refer to Note 4(24) of the unconsolidated financial report. For the critical accounting estimates and assumptions, please refer to Note 5. For the operating revenue, please refer to Note 6(17).

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

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

Corresponding Audit Procedures

The procedures that we have conducted in response to the construction completion progress by Ruentex Materials Co., Ltd. and its subsidiaries (accounted in equity method investments) of the above-mentioned key audit matter are summarized as follows:

1. Based on our understanding of the business operation and nature of the industry of Ruentex Materials Co., Ltd. and its subsidiaries, we assessed the internal operation procedures used in the estimation of construction total cost, including the quantitative unit of construction drawings of owners in order to determine the procedures for each construction cost (contracting works and material/labor expenses) and the consistency of the estimation method.

2. We assessed and tested the internal controls that would affect the recognition of construction contract revenue based on stage of completion, including verifying the evidence of additional or less work and significant constructions.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the sampling period to confirm that the progress of such projects was proceeding as scheduled.
4. We obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion to ensure a reasonable recognition of construction contract revenue.

Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

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

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

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidences in order to be used as the basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Company and provide opinions on its respective unconsolidated financial statements. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the audit opinion for the Company.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the unconsolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan

Huang, Chin-Lien

Certified Public Accountant

Chang, Shu-Chiung

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

March 13, 2024

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

Unit: NT$ thousands

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 117,345	2	$ 432,571	7
1140	Contract asset - current	6(17) and 7	12,738	-	11,833	-
1150	Net notes receivable	6(2)	168,487	3	150,528	2
1160	Notes receivable - related parties - net	6(2) and 7	3,895	-	350	-
1170	Net accounts receivable	6(2)	616,919	10	600,158	9
1180	Accounts receivable - related parties - net	6(2) and 7	37,263	1	39,666	1
1220	Current tax assets		87	-	6,093	-
130X	Inventories	6(3)	732,818	11	703,318	11
1410	Prepayments		32,366	-	19,307	-
1470	Other current assets	6(1) and 8	1,451	-	5,159	-
11XX	**Total current assets**		1,723,369	27	1,968,983	30
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(4) and 7	471,118	7	476,123	7
1550	Investments accounted for using equity method	6(5)	174,927	3	159,254	3
1600	Property, plant, and equipment	6(6), 7, and 8	3,664,071	58	3,544,980	54
1755	Right-of-use assets	6(7)	13,261	-	19,757	-
1780	Intangible assets	6(8)	170,099	3	172,937	3
1840	Deferred tax assets	6(25)	28,821	-	28,536	1
1900	Other non-current assets	6(1) and 8	114,192	2	148,383	2
15XX	**Total non-current assets**		4,636,489	73	4,549,970	70
1XXX	**Total Assets**		$ 6,359,858	100	$ 6,518,953	100

(Continued)

Ruentex Materials Co., Ltd.
Unconsolidated 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(9) and 8	$ 750,000	12	$ 950,000	15
2110	Short-term notes and bills payable	6(10)	269,936	4	309,832	5
2130	Contract liabilities - current	6(17) and 7	27,213	-	24,264	-
2150	Notes payable		95,347	2	57,808	1
2160	Notes payable - related party	7	721	-	1,864	-
2170	Accounts payable		214,402	3	201,322	3
2180	Accounts payable - related party	7	2,058	-	1,802	-
2200	Other payables	6(11)	171,164	3	169,821	3
2220	Other Payable - Related Party	7	387	-	373	-
2230	Income tax liabilities of current period		7,843	-	-	-
2280	Lease liabilities - current	6(7)	12,167	-	11,325	-
2320	Long-term liabilities due within one year or one operating cycle	6(12) and 8	-	-	550,000	8
2399	Other current liabilities - other		1,383	-	1,341	-
21XX	**Total current liabilities**		1,552,621	24	2,279,752	35
	Non-current liabilities					
2540	Long-term borrowings	6(12) and 8	2,500,000	40	2,000,000	31
2570	Deferred tax liabilities	6(25)	20	-	30	-
2580	Lease liabilities - non-current	6(7)	7,159	-	12,828	-
2600	Other non-current liabilities		18,843	-	19,806	-
25XX	**Total non-current liabilities**		2,526,022	40	2,032,664	31
2XXX	**Total Liabilities**		4,078,643	64	4,312,416	66
	Equity					
	Capital	6(14)				
3110	Share capital		1,500,000	23	1,500,000	23
	Capital surplus	6(15)				
3200	Capital surplus		677,124	11	711,624	11
	Retained earnings	6(16)				
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	1
	Other equities					
3400	Other equities		(111,752)	(2)	(106,174)	(2)
3XXX	**Total Equity**		2,281,215	36	2,206,537	34
	Significant contingent liabilities and unrecognized commitments	9				
	Significant subsequent events	11				
3X2X	**Total Liabilities and Equity**		$ 6,359,858	100	$ 6,518,953	100

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

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

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

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

	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operation Income	6(17) and 7	$ 3,988,001	100	$ 3,190,424	100
5000	Operation Cost	6(3)(8)(13)(18) (23)(24) and 7	(3,652,049)	(92)	(2,984,345)	(94)
5900	Gross Profit		335,952	8	206,079	6
	Operating Expenses	6(8)(13)(23) (24) and 7				
6100	Selling expenses		(75,705)	(2)	(66,143)	(2)
6200	General & administrative expenses		(86,719)	(2)	(84,686)	(3)
6300	R&D expenses		(54,234)	(1)	(40,217)	(1)
6450	Expected credit impairment (losses) gains	12(2)	(3,617)	-	335	-
6000	Total Operating Expenses		(220,275)	(5)	(190,711)	(6)
6900	Operating Profit		115,677	3	15,368	-
	Non-operating Income and Expenses					
7100	Interest revenue	6(19)	2,083	-	1,017	-
7010	Other income	6(20)	19,614	1	31,193	1
7020	Other gains and losses	6(21)	(2,696)	-	1,086	-
7050	Financial Costs	6(22)	(64,055)	(2)	(40,385)	(1)
7070	Share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the Equity method	6(5)	52,098	1	37,858	1
7000	Total non-operating income and expenses		7,044	-	30,769	1
7900	**Net profit before tax**		122,721	3	46,137	1
7950	Income tax expense	6(25)	(7,738)	-	(8,029)	-
8200	**Net income of current period**		$ 114,983	3	$ 38,108	1
	Other comprehensive income (net)					
	Items not to be reclassified into profit or loss					
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(4)	($ 5,005)	-	($ 89,470)	(3)
8330	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items not to be reclassified into profit or loss		(800)	-	(1,634)	-
8310	Total of items not to be reclassified into profit or loss		(5,805)	-	(91,104)	(3)
8500	**Total Comprehensive Income Current Period**		$ 109,178	3	($ 52,996)	(2)
	Earnings per share	6(27)				
9750	Basic earnings per share		$ 0.77		$ 0.25	
9850	Diluted earnings per share		$ 0.77		$ 0.25	

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

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

Ruentex Materials Co., Ltd.
Unconsolidated Equity Statement
For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousands

	Notes	Share capital	Capital surplus: Issued at premium	Capital surplus: Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Capital surplus: Changes in the ownership interests of subsidiaries as recognized	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings	Unrealized financial assets at fair value through other comprehensive income acquired Income (Loss)	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
Net income of current period		-	-	-	-	-	-	38,108	-	38,108
Other comprehensive income		-	-	-	-	-	-	337	(91,441)	(91,104)
Total Comprehensive Income Current Period		-	-	-	-	-	-	38,445	(91,441)	(52,996)
Profit reversed as special reserve	6(16)	-	-	-	-	-	(28,369)	28,369	-	-
Deficit offset by legal reserve	6(16)	-	-	-	-	(74,680)	-	74,680	-	-
Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	6(5)(26)	-	-	15,076	-	-	-	-	984	16,060
Balance on December 31, 2022		$ 1,500,000	$ 656,157	$ 15,076	$ 40,391	$ 46,925	$ 15,717	$ 38,445	($ 106,174)	$ 2,206,537
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
Net income of current period		-	-	-	-	-	-	114,983	-	114,983
Other comprehensive income		-	-	-	-	-	-	(227)	(5,578)	(5,805)
Total Comprehensive Income Current Period		-	-	-	-	-	-	114,756	(5,578)	109,178
Appropriation and distribution of the earnings for 2022:	6(16)									
Profit set aside as legal reserve		-	-	-	-	3,845	-	(3,845)	-	-
Provision of special reserves		-	-	-	-	-	34,600	(34,600)	-	-
Distribution of cash dividends from capital surplus	6(16)	-	(34,500)	-	-	-	-	-	-	(34,500)
Balance on December 31, 2023		$ 1,500,000	$ 621,657	$ 15,076	$ 40,391	$ 50,770	$ 50,317	$ 114,756	($ 111,752)	$ 2,281,215

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

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

Ruentex Materials Co., Ltd.
Unconsolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousands

	Notes	2023	2022
Cash flows from operating activities			
Profit before Income Tax current period		$ 122,721	$ 46,137
Adjustments			
Income and expenses			
Depreciation expense	6(6)(7)(23)	235,969	211,670
Depreciation and amortization expenses	6(8)(23)	8,362	9,465
Expected credit impairment (losses) gains	12(2)	3,617	(335)
Interest Cost	6(22)	64,055	40,385
Interest revenue	6(19)	(2,083)	(1,017)
Dividend income	6(20)	(14,400)	(27,201)
Share of other comprehensive gains of subsidiaries, affiliates, and joint ventures recognized using the equity method	6(5)	(52,098)	(37,858)
Gains on lease modifications	6(7)(21)	-	(175)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contract asset		(905)	(597)
Notes receivable		(17,959)	(40,351)
Bills receivable - related parties		(3,545)	7,208
Accounts receivable		(20,378)	(251,598)
Account Receivable - Related Party		2,403	(25,490)
Inventories		(29,500)	(143,543)
Prepayments		(13,059)	12,205
Other Current Assets		(1,346)	70
Net change in liabilities related to operating activities			
Contract liabilities - current		2,949	(10,984)
Notes payable		37,539	(16,597)
Notes payable - related party		(1,143)	1,647
Accounts Payable		13,080	28,360
Accounts payable - related party		256	654
Other payables		20,315	19,944
Other Payable - Related Party		14	189
Other Current liabilities		42	(46)
Other non-Current liabilities		(963)	(961)
Cash inflow (outflow) from operations		353,943	(178,819)
Interest received		2,072	986
Dividends received		50,025	53,451
Interest paid		(64,051)	(39,578)
Income tax paid		(190)	(1,302)
Income tax refunded		6,006	2,685
Net cash inflow (outflow) from operating activities		347,805	(162,577)

(Continued)

Ruentex Materials Co., Ltd.
Unconsolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousands

	Notes	2023	2022
Cash flows from investing activities			
Acquisition of financial assets at fair value through other comprehensive income	6(28)	$ -	($ 354,658)
Decrease in other financial assets - current		5,065	35,156
Real estate, plant and equipment acquired	6(28)	(316,774)	(261,965)
Acquisition of intangible assets	6(8)	(5,524)	(24,140)
Decrease (increase) in refundable deposits		(100)	515
Increase in prepayments for equipment		(15,582)	(47,839)
Increase in other financial assets - current		(37)	(91,819)
Cash used in investing activities		(332,952)	(744,750)
Cash flows from financing activities			
Increase (decrease) in short-term borrowings	6(29)	(200,000)	950,000
Increase (decrease) in short-term notes and bills payable	6(29)	(40,000)	70,000
Proceeds from long-term borrowings	6(29)	1,200,000	530,000
Repayments of long-term borrowings	6(29)	(1,250,000)	(480,000)
Principal elements of lease payments	6(29)	(5,579)	(14,873)
Cash dividends paid	6(16)	(34,500)	-
Disposal of equity in subsidiaries (without losing control)	6(5)	-	29,910
Net cash generated from (used in) financing activities		(330,079)	1,085,037
Increase (decrease) of cash and cash equivalents – current period		(315,226)	177,710
Cash and cash equivalents, beginning of period		432,571	254,861
Cash and cash equivalents, end of period		$ 117,345	$ 432,571

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

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

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

Unit: NT$ thousands
(Except as Otherwise Indicated)

I. History and Organization

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

II. Date and Procedure for Approval of Financial Statements

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

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

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

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

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 Company's financial condition and operating result based on the Company's assessment.

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

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

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 Company's financial condition and operating result based on the Company's assessment.

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

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

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 21 "Lack of Exchangeability"	January 1, 2025

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

IV. Summary of Significant Accounting Policies

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

(I) Compliance statement

The unconsolidated financial statements were prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers'.

(II) Basis of preparation

1. Except for the following items, these unconsolidated financial statements have been prepared under the historical cost convention:
   Financial assets at fair value through other comprehensive income.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(III) Foreign currency translation

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

Foreign currency translation and balances

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

4. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(IV) Classification of Current and non-Current items

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

(1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(2) Assets held mainly for trading purposes;

(3) Assets that are expected to be realized within 12 months from the balance sheet date;

(4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.

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

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

(1) Liabilities that are expected to be settled within the normal operating cycle;

(2) Assets held mainly for trading purposes;

(3) Liabilities that are to be settled within 12 months from the balance sheet date;

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Liabilities that do not meet the above criteria are classified as non-Current liabilities.

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

(V) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

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

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

3. The Company initially recognized the financial Assets at fair value through profit or loss are initially recognized at fair value, and subsequently, they were measured and stated at fair value:

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

(VII) Notes and accounts receivable

1. Refer to accounts and notes to be received due to transfer of commodities or labors already performed unconditionally in exchange for the right for consideration amount according to the contract terms.

2. However, short-term notes and accounts receivable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(VIII) Impairment of financial assets

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

(IX) Derecognition of financial assets

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

(X) Lease transactions of lessor - operating lease

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

(XI) Inventories

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

(XII) Investment using the equity method - Subsidiaries

1. Subsidiaries are all entities (including structural entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

2. Unrealized profit (loss) occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

3. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

4. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit (loss) of the Current period and other comprehensive income in the unconsolidated financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the unconsolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statement.

(XIII) Property, plant, and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the interest is capitalized over the acquisition and construction period.

2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of real estate, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

4. The Assets' residual values, useful lives and depreciation methods are reviewed, and

adjusted if appropriate, at each financial year-end. If expectations for the Assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the Assets' future economic benefits embodied in the Assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings 2 - 50 years
Machinery and equipment 2 - 25 years
Transportation equipment 2 - 5 years
Office equipment 3 - 5 years
Lease of assets for 3 - 5 years
Miscellaneous equipment 2 - 10 years

(XIV) Lessees' lease transactions - right-of-use assets/lease liabilities

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

(XV) Intangible assets

1. Mineral rights

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

2. Trademark, patent rights and service concession

   Trademarks, patent rights, and service concessions are stated as acquisition cost. They are amortized on a straight line basis with their useful lives of 10 years.

3. Computer software

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

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

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

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

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

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

      C. Capability to use or sell the intangible assets;

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

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

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

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

(XVI) Impairment of non-financial Assets

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

(XVII) Loans

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

(XVIII) Notes and accounts payable

1. Debt arising from purchase of raw materials, goods or services and notes payable arising from ordinary course of business or non-business related matters.

2. For short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as effect of discounting is immaterial.

(XIX) Derecognition of financial liabilities

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

(XX) Employee benefits

1. Short-term employee benefits

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

2. Pensions

Defined contribution plans

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

3. Termination benefits

The termination benefits are for employees who terminate their employment before the normal retirement date or when the employees decide to accept the Company's welfare invitation in exchange for the termination of employment. Termination benefits are recognized when the Company can no longer withdraw the offer of the benefit or when the Group recognizes costs for a restructuring, whichever is earlier. Benefits that are not expected to be settled wholly before twelve months after the end of the balance sheet date should be discounted.

4. Remuneration to employee

Employee remunerations are recognized as expenses and liabilities when they have legal or constructive obligations and the amount can be reasonably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXI) Income tax

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

2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. The management assesses the status of income tax declaration according to relevant applicable income tax laws, and shall pay the income tax liability estimated to the taxation agency according to the 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 balance sheet. The deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

Assets are reassessed.

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

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

(XXII) Capital

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

(XXIII) Dividends

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

(XXIV) Revenue recognition

1. Revenues from product Sales

(1) For the cement and building materials related products manufactured and sold by the Company, the income from sale of goods is recognized when the control of goods is transferred to customers, i.e., when the goods are delivered to the customer. In addition, the Company has no unfulfilled obligations that may affect the customer from accepting the goods. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and customer also accepts goods according to the sales contract, or when there is objective evidence 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 Company has the unconditional right on the contract price, and the Company can receive the consideration from the customer after time has passed.

(3) Financial component

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

(4) There is a customer loyalty plan managed by the Company for its distribution customers. At the end of every year, reward points will be given to distribution customers based on the year's transaction amount for the year. Distribution customers have the right to redeem the reward points for a fixed percentage of the price when they obtain products in the future. The reward point is an important right that cannot be obtained if a customer has not made any initial transaction; therefore, the reward point provided to customers is a single contract performance obligation. The transaction price is appropriated to the goods and reward point based on the relative independent sales price. The independent sales price of reward point is estimated according to the discount obtained by the customer and the possibility of exchange of points based on the past experience. The basis for calculating single sales prices of products is the contract price. The transaction price allocated to reward points is recognized as contract liabilities until the customer redeems the points or when the points have expired, then it will be transferred to revenue.

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

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

(2) The construction contracts, labor services, and repairs undertaken by the Company are recognized as revenue using the percentage of completion method according to the level of completion of the contract during the contract period. Contract costs are recognized as expenses in the period in which they are incurred. The stage of completion is determined by reference to the contract costs incurred to date and

the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. In addition, when the total contract cost is likely to exceed the total contract revenue, the expected loss is recognized as an expense immediately. When the results of the contracting contracts may not be able to be used to reasonably measure the results of the performance obligations, but the Company expects to recover the incurred costs when the performance obligations are fulfilled, the Company will only recognize the contracts in revenue within the scope of the incurred costs before the results of the performance obligations can be measured.

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

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

(5) The Company's construction contracts, labor services and repairs include the agreement with the customer for part of the construction payment to be paid after the construction acceptance. The construction retention receivable is to protect the customer in case the other party fails to complete the contract properly. Therefore, there is no significant financial component.

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

(XXV) Government grants

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

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

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

(I) Critical judgments in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Revenue recognition

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

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 230	$ 230
Checking deposits	24,690	187,068
Demand deposits	64,241	42,077
Cash equivalents - Bonds under repurchase agreements	28,184	203,196
	$ 117,345	$ 432,571

1. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Company's restricted cash and cash equivalents on December 31, 2023 and 2022 due to guarantees for the performance of contracts were NT$91,856 and NT$96,884, respectively, of which NT$0 and NT$5,065 were classified as other financial assets, current (recognized in "other current assets") and NT$91,856 and NT$91,819 were classified as other financial assets, non-current (recognized in "other non-current assets"). Please refer to Note 8.

(II) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 168,487	$ 150,528
Notes Receivable – related party	3,895	350
	$ 172,382	$ 150,878
Accounts receivable	$ 624,063	$ 603,685
Less: Allowance for loss	(7,144)	(3,527)
Subtotal	616,919	600,158
Accounts receivable - related party	37,263	39,666
	$ 654,182	$ 639,824

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 notes receivable (including related parties) and accounts receivable (including related parties) is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not overdue	$ 655,697	$ 172,382	$ 638,581	$ 150,878
Overdue				
Within 30 days	2,338	-	1,519	-
31-60 days	130	-	480	-
61-90 days	75	-	73	-
91 days and more	3,086	-	2,698	-
	$ 661,326	$ 172,382	$ 643,351	$ 150,878

The aging analysis was based on past due date.

3. The balances of the notes receivable and accounts receivables as of December 31, 2023 and 2022 were incurred by the clients' contracts; also as of January 1, 2022, the balances of the notes receivable and accounts receivables were NT$117,735 and NT$362,401, respectively.

4. The Company's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, were NT$172,382 and NT$150,878 for notes receivable, as of December 31, 2023 and 2022, respectively; the accounts receivable were NT$654,182 and NT$639,824 as of December 31, 2023 and 2022, respectively.

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

(III) Inventories

	December 31, 2023		
	Cost	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

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

	2023	2022
Cost of inventories sold	$ 3,607,447	$ 2,938,848
Inventory loss from price reduction (gain from price recovery)	1,646	(5,924)
Unallocated manufacturing costs	6,840	6,840
Revenue from sales of scraps	(8,260)	(6,932)
	$ 3,607,673	$ 2,932,832

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

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

Item	December 31, 2023	December 31, 2022
Non-current items:		
Equity Instrument		
Shares of TWSE listed companies	$ 555,517	$ 555,517
Shares of the TPEx listed companies	24,868	24,868
	580,385	580,385
Adjustments for valuation		
Shares of TWSE listed companies	(92,542)	(87,502)
Shares of the TPEx listed companies	(16,725)	(16,760)
	(109,267)	(104,262)
Total	$ 471,118	$ 476,123

1. The Company elected to classify the TWSE listed securities investments for stable dividends as financial assets at fair value through other comprehensive income; such investments amounted to NT$462,975 and NT$468,015 as of December 31, 2023 and 2022, respectively.

2. The Company elected to classify the strategic investments in privately offered shares of TWSE listed companies as financial assets at fair value through other comprehensive income, amounting to NT$8,143 and NT$8,108 as of December 31, 2023 and 2022, respectively.

3. In the third quarter of 2022 and the first quarter of 2022, the Company purchased 1,960 thousand shares and 1,380 thousand shares of the TWSE-listed company, Ruentex Industries Ltd., from the open market, in amounts of NT$122,798 and NT$136,753, respectively.

4. TPEx-listed company, OBI Pharma, Inc., increased its capital in cash in March 2022, and the Company subscribed for 11,904 shares in an amount of NT$1,250.

5. TWSE-listed company, Ruentex Industries Ltd., increased its capital in cash in September 2022, and the Company subscribed for 1,760,000 shares in an amount of NT$88,000.

6. The details of financial assets at fair value through other comprehensive income recognized in profit and loss and comprehensive income (loss) are as follows:

	2023	2022
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized as other comprehensive income	($ 5,005)	($ 89,470)
Dividend incomes recognized in profit and loss	$ 14,400	$ 27,201

7. The maximum exposure to credit risk for the Company's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT$471,118 and NT$476,123 as of December 31, 2023 and 2022, respectively.

8. For information on the credit risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(V) Investments accounted for using equity method

1. Statement of investments accounted for using the equity method is as follows:

Subsidiary	December 31, 2023	December 31, 2022
Ruentex Interior Design Inc. (Ruentex Interior Design)	$ 174,927	$ 159,254

2. Share of the 2023 and 2022 income or loss of subsidiaries accounted for using the equity method is as follows:

	2023	2022
Ruentex Interior Design	$ 52,098	$ 37,858

3. On June 8, 2022 the Company's Board of Directors approved the provision of 500 thousand shares of Ruentex Interior Design on July 19, 2022 for subscription by securities advisors-cum-underwriters. The selling price per share was NT$60, and the proceeds (less the securities exchange tax) totaled NT$29,910. The Company's shareholding decreased to 35.19%, and it was recognized in capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries in an amount of NT$15,076.
4. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for more information on the Company's subsidiaries.

(VI) Property, plant, and equipment

	2023									
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leased assets	Leasehold improvements	Miscellaneous equipment	Unfinished construction and equipment pending for inspection	Total
January 1										
Cost	$ 1,535,961	$ 1,465,864	$ 1,964,955	$ 11,374	$ 5,191	$ 704	$ 421	$ 70,202	$ 28,437	$ 5,083,109
Accumulated depreciation	-	(496,087)	(932,542)	(9,834)	(2,522)	(704)	(70)	(30,219)	-	(1,471,978)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	-	(379)	-	(66,151)
	$ 1,535,961	$ 959,446	$ 976,972	$ 1,540	$ 2,669	$ -	$ 351	$ 39,604	$ 28,437	$ 3,544,980
January 1	$ 1,535,961	$ 959,446	$ 976,972	$ 1,540	$ 2,669	$ -	$ 351	$ 39,604	$ 28,437	$ 3,544,980
Addition	-	4,466	80,551	-	1,744	-	468	7,243	203,430	297,902
Transfer for current period (Note)	-	7,330	73,837	-	-	-	-	(9,110)	(22,147)	49,910
Costs of disposal	-	-	(49,068)	(790)	(255)	-	-	(475)	-	(50,588)
Disposal of accumulated depreciation	-	-	49,068	790	255	-	-	475	-	50,588
Depreciation expense	-	(48,003)	(172,798)	(564)	(947)	-	(139)	(6,270)	-	(228,721)
December 31	$ 1,535,961	$ 923,239	$ 958,562	$ 976	$ 3,466	$ -	$ 680	$ 31,467	$ 209,720	$ 3,664,071
December 31										
Cost	$ 1,535,961	$ 1,477,660	$ 2,071,138	$ 10,584	$ 6,680	$ 704	$ 889	$ 66,997	$ 209,720	$ 5,380,333
Accumulated depreciation	-	(544,090)	(1,057,135)	(9,608)	(3,214)	(704)	(209)	(35,151)	-	(1,650,111)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	-	(379)	-	(66,151)
	$ 1,535,961	$ 923,239	$ 958,562	$ 976	$ 3,466	$ -	$ 680	$ 31,467	$ 209,720	$ 3,664,071

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	Leasehold improvements	Miscellaneous equipment	Unfinished construction and equipment pending for inspection	Total
January 1										
Cost	$1,535,961	$ 1,398,704	$ 1,831,528	$ 11,374	$ 5,915	$ 704	$ 421	$ 53,034	$ 41,321	$ 4,878,962
Accumulated depreciation	-	(449,940)	(865,653)	(8,915)	(2,429)	(704)	-	(24,829)	-	(1,352,470)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	-	(379)	-	(66,151)
	$ 1,535,961	$ 938,433	$ 910,434	$ 2,459	$ 3,486	$ -	$ 421	$ 27,826	$ 41,321	$ 3,460,341
January 1	$ 1,535,961	$ 938,433	$ 910,434	$ 2,459	$ 3,486	$ -	$ 421	$ 27,826	$ 41,321	$ 3,460,341
Addition	-	1,680	42,634	-	63	-	-	6,929	206,232	257,538
Transfer for current period (Note)	-	65,480	165,209	-	-	-	-	10,581	(219,161)	22,109
Costs of disposal	-	-	(74,416)	-	(787)	-	-	(342)	-	(75,545)
Disposal of accumulated depreciation	-	-	74,416	-	787	-	-	342	-	75,545
Capitalization of interest	-	-	-	-	-	-	-	-	45	45
Depreciation expense	-	(46,147)	(141,305)	(919)	(880)	-	(70)	(5,732)	-	(195,053)
December 31	$ 1,535,961	$ 959,446	$ 976,972	$ 1,540	$ 2,669	$ -	$ 351	$ 39,604	$ 28,437	$ 3,544,980
December 31										
Cost	$ 1,535,961	$ 1,465,864	$ 1,964,955	$ 11,374	$ 5,191	$ 704	$ 421	$ 70,202	$ 28,437	$ 5,083,109
Accumulated depreciation	-	(496,087)	(932,542)	(9,834)	(2,522)	(704)	(70)	(30,219)	-	(1,471,978)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	-	(379)	-	(66,151)
	$ 1,535,961	$ 959,446	$ 976,972	$ 1,540	$ 2,669	$ -	$ 351	$ 39,604	$ 28,437	$ 3,544,980

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 Company is held in the name of another person and a mortgage is created to the Company. Please refer to Note 7 for details.

(VII) Lease transactions - lessees

1. The underlying assets leased by the Company are the offices, land for mining use, and company vehicles, and the term of lease is normally between 2020 and 2026. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collateral for loans, nor the rights to be transferred to others in the form of business transfer or merge, among other forms.

2. Information on the carrying amount of the right-of-use assets and the recognized depreciation expenses is as follows:

	2023			
	Land	Buildings	Transportation equipment	Total
January 1				
Cost	$ 7,265	$ 25,244	$ 864	$ 33,373
Accumulated depreciation	(4,525)	(8,374)	(717)	(13,616)
	$ 2,740	$ 16,870	$ 147	$ 19,757
January 1	$ 2,740	$ 16,870	$ 147	$ 19,757
Addition-Newly added lease contracts	-	-	752	752
Cost of derecognition	-	-	(864)	(864)
Accumulated depreciation on the de-booking date	-	-	864	864
Depreciation expense	(1,781)	(5,195)	(272)	(7,248)
December 31	$ 959	$ 11,675	$ 627	$ 13,261
December 31				
Cost	$ 7,265	$ 25,244	$ 752	$ 33,261
Accumulated depreciation	(6,306)	(13,569)	(125)	(20,000)
	$ 959	$ 11,675	$ 627	$ 13,261

	2022			
	Land	Buildings	Transportation equipment	Total
January 1				
Cost	$ 9,460	$ 96,508	$ 843	$ 106,811
Accumulated depreciation	(4,501)	(27,420)	(422)	(32,343)
	$ 4,959	$ 69,088	$ 421	$ 74,468

	Land	Buildings	Transportation equipment	Total
January 1	$ 4,959	$ 69,088	$ 421	$ 74,468
Addition-Newly added lease contracts	-	486	-	486
Cost of derecognition	(2,195)	(487)	-	(2,682)
Accumulated depreciation on the de-booking date	2,195	487	-	2,682
Lease contract modifications - costs	-	(71,263)	21	(71,242)
Lease contract modifications - accumulated depreciation	-	32,662	-	32,662
Depreciation expense	(2,219)	(14,103)	(295)	(16,617)
December 31	$ 2,740	$ 16,870	$ 147	$ 19,757

	Land	Buildings	Transportation equipment	Total
December 31				
Cost	$ 7,265	$ 25,244	$ 864	$ 33,373
Accumulated depreciation	(4,525)	(8,374)	(717)	(13,616)
	$ 2,740	$ 16,870	$ 147	$ 19,757

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

	December 31, 2023	December 31, 2022
Total amount of lease liabilities	$ 19,326	$ 24,153
Less: Due within one year (listed as lease liabilities - current)	(12,167)	(11,325)
	$ 7,159	$ 12,828

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	$ 166	$ 338
Expenses of short-term lease contracts	$ 576	$ -
Gains on lease modifications	$ -	$ 175

5. The total of lease cash flow of the Company in 2023 and 2022 are NT$6,321 and NT$15,211, respectively.

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

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

(VIII) Intangible assets

	2023			
	Mineral source	Trademark rights, patent rights and service concession	Others	Total
January 1				
Cost	$ 234,798	$ 30,000	$ 105,580	$ 370,378
Accumulated amortization	(60,416)	(30,000)	(33,813)	(124,229)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	$ 112,410	$ -	$ 60,527	$ 172,937
January 1	$ 112,410	$ -	$ 60,527	$ 172,937
Addition	-	-	5,524	5,524
Amortization	-	-	(8,362)	(8,362)
December 31	$ 112,410	$ -	$ 57,689	$ 170,099
December 31				
Cost	$ 234,798	$ 30,000	$ 111,104	$ 375,902
Accumulated amortization	(60,416)	(30,000)	(42,175)	(132,591)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	$ 112,410	$ -	$ 57,689	$ 170,099

	2022			
	Mineral source	Trademark rights, patent rights and service concession	Others	Total
January 1				
Cost	$ 234,798	$ 30,000	$ 81,440	$ 346,238
Accumulated amortization	(60,416)	(28,500)	(25,848)	(114,764)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	$ 112,410	$ 1,500	$ 44,352	$ 158,262
January 1	$ 112,410	$ 1,500	$ 44,352	$ 158,262
Addition	-	-	24,140	24,140
Amortization	-	(1,500)	(7,965)	(9,465)
December 31	$ 112,410	$ -	$ 60,527	$ 172,937
December 31				
Cost	$ 234,798	$ 30,000	$ 105,580	$ 370,378
Accumulated amortization	(60,416)	(30,000)	(33,813)	(124,229)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	$ 112,410	$ -	$ 60,527	$ 172,937

Details of amortization of intangible assets are as follows:

	2023	2022
Operation cost	$ 7,820	$ 7,444
Operating Expenses	542	2,021
	$ 8,362	$ 9,465

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

On September 15, 2020, the above-mentioned application of the Yilan Lankan Minefield received the Administrative Disposition Jin Shou Chuan Zi No. 10920107100 from the Ministry of Economic Affairs, which stated, "Because the public land authority (i.e. the Luodong District

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

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

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

(IX) Short-term borrowings

	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 Company also issued the guarantee notes of the amount as follows:

	December 31, 2023	December 31, 2022
Guarantee notes	$ 1,200,000	$ 1,200,000

(X) Short-term 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 Company are as follows:

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

(XI) Other payables

	December 31, 2023	December 31, 2022
Salary and wages payable	$ 86,023	$ 78,694
Electricity bill payable	29,487	25,188
Commodity tax payable	16,854	13,050
Payables on equipment	13,065	31,937
Other payable	25,735	20,952
	$ 171,164	$ 169,821

(XII) 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	Interest will be paid monthly from February 22, 2023 to September 30, 2025 with interest repayable upon 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 Company also issued the guarantee notes of the amount as follows:

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

(XIII) Pensions

1. The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
2. In 2023 and 2022, the pension cost recognized by the Company in accordance with the above regulations was NT$10,741 and NT$10,131, respectively.

(XIV) Capital

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

(XV) Capital surplus

1. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
2. Please see Note 6(5)3 for the details of capital surplus - difference between the equity price and the book value of actual acquisition or disposition of subsidiaries.

(XVI) Retained earnings

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

exceeds 25% of the Company's paid-in capital.

4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

5. On May 31, 2022, the Company approved the reversal of the 2021 special reserve of NT$28,369 by resolution of the shareholders' meeting and offset the deficit with the legal reserve of NT$74,680. The calculation of the deficit to be offset is as follows:

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

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

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

(2) According to the approval of the proposal made by the Shareholders Meeting on May22, 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	

(XVII) Operation income

	2023	2022
Revenue from contracts with customers:		
Revenue from sales of goods	$ 3,829,181	$ 3,025,480
Revenue from construction contracts	48,029	56,025
Other revenue from contracts	110,791	108,919
	$ 3,988,001	$ 3,190,424

1. Detail of customer contract income

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

2023	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	$2,052,721	$1,887,251	$ 48,029	$3,988,001
Timing of revenue recognition				
Revenue recognized at a point in time	$2,052,721	$1,887,251	$ -	$3,939,972
Revenue recognized over time	-	-	48,029	48,029
	$2,052,721	$1,887,251	$ 48,029	$3,988,001

2022	Cement business	Building materials business	Engineering and construction business	Total
Departmental revenue	$1,670,900	$1,463,499	$ 56,025	$3,190,424
Timing of revenue recognition				
Revenue recognized at a point in time	$1,670,900	$1,463,499	$ -	$3,134,399
Revenue recognized over time	-	-	56,025	56,025
	$1,670,900	$1,463,499	$ 56,025	$3,190,424

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	$ 92,339
2022	2023 ~ 2026	$ 80,072

3. Contract assets and contract liabilities

The Company'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)	$ 1,777	$ 5,147	$ 3,206
Contract asset - Construction contract	10,961	6,686	8,030
Total	$ 12,738	$ 11,833	$ 11,236

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liability:			
Contract liabilities - Construction materials contract (related parties included)	$ 23,527	$ 18,078	$ 35,210
Contract liability - Construction contract	3,686	6,186	38
Total	$ 27,213	$ 24,264	$ 35,248

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)	$ 41,497	$ 45,222	$ 32,895
Less: Amount requested for progress of works	(34,222)	(44,722)	(24,903)
Status of net assets and liabilities of ongoing contracts	$ 7,275	$ 500	$ 7,992

(XVIII) Operation cost

	2023	2022
Cost of sales of goods	$ 3,607,673	$ 2,932,832
Cost of construction contract	37,223	46,118
Other costs from contracts	7,153	5,395
	$ 3,652,049	$ 2,984,345

(XIX) Interest revenue

	2023	2022
Interest on cash in banks	$ 2,083	$ 1,017

(XX) Other income

	2023	2022
Dividend income	$ 14,400	$ 27,201
Rent income	1,116	1,116
Other income	4,098	2,876
	$ 19,614	$ 31,193

(XXI) 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	(655)	(1,207)
	($ 2,696)	$ 1,086

(XXII) Financial Costs

	2023	2022
Interest Cost:		
Bank loan	$ 63,889	$ 40,092
Lease liabilities	166	338
Less: Amount eligible for capitalization	-	(45)
	$ 64,055	$ 40,385

(XXIII) Additional information of expenses by nature

	2023	2022
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	$ 2,210,915	$ 1,791,724
Contract work	84,539	72,352
Employee benefit expense	341,745	316,134
Depreciation expenses for property, plant and equipment	228,721	195,053
Depreciation expenses for right-of-use assets	7,248	16,617
Depreciation and amortization expenses of intangible assets	8,362	9,465
Other expense	990,794	773,711
Operating costs and expenses	$ 3,872,324	$ 3,175,056

(XXIV) Employee benefit expense

	2023	2022
Wages and salaries	$ 280,148	$ 258,872
Labor and Health Insurance costs	26,099	24,067
Pension expense	10,741	10,131
Directors' Remuneration	2,856	3,036
Other employment fees	21,901	20,028
	$ 341,745	$ 316,134

1. According to the Articles of Incorporation, the Company shall appropriate at least 1% of the remainder of the profit for the year as profit sharing remuneration for employees after deducting the accumulated losses from the profit for the current year. None will be distributed for director remuneration.
2.(1) The estimated amount of employee compensation of the Company in 2023 and 2022 was NT$1,240 and NT$466, respectively, and the aforementioned amount was recorded under salary expenses.
(2) The employees' compensation was estimated and accrued based on 1% of distributable profit of the current year for the year ended December 31, 2023. The employees' compensation resolved by the Board of Directors on March 13, 2024 was NT$1,240, which will be distributed in the form of cash.
(3) As resolved by the Board of Directors on March 10, 2023, the remuneration to employees for 2022 is consistent with the remuneration to employees of NT$466 recognized in the 2022 financial statements. The 2022 employees' compensation was distributed in the form of cash.
(4) Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the board of directors and the shareholders at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXV) Income tax

1. Income tax expense

Components of income tax expense:

	2023	2022
Current income tax:		
Income tax occurred in the current period	$ 8,033	$ -
Underestimation on income tax for prior years	-	1,746
Total income tax for current period	8,033	1,746
Deferred income tax:		
Origination and reversal of temporary differences	(295)	2,368
Tax loss	-	3,915
Total deferred income tax	(295)	6,283
Income tax expense	$ 7,738	$ 8,029

2. Reconciliation between income tax expense and accounting profit

	2023	2022
Imputed income taxes on pre-tax income at a statutory tax rate	$ 24,544	$ 9,227
Expenses to be excluded as stipulated in the tax law	115	232
Income with exemption from tax as stipulated in the tax law	(13,299)	(13,012)
Temporary differences on unrealized deferred income tax assets	(541)	-
Tax loss on unrealizable deferred income tax assets	-	5,293
Income tax effects of investment tax credits	(3,081)	-
Changes in realizability evaluation on deferred income tax assets	-	4,543
Underestimation on income tax for prior years	-	1,746
Income tax expense	$ 7,738	$ 8,029

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	December 31
Deferred income tax assets:			
- Temporary differences:			
Allowance for loss on market value decline of inventory	$ 194	$ 329	$ 523
Unrealized sales discounts	2,157	948	3,105
Unrealized impairment loss	26,185	(992)	25,193
Subtotal	28,536	285	28,821
Deferred income tax liability:			
- Temporary differences:			
Unrealized foreign exchange gains	(30)	10	(20)
Subtotal	(30)	10	(20)
Total	$ 28,506	$ 295	$ 28,801

	2022		
	January 1	Recognized in profit and loss	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)	-
- Tax loss	3,915	(3,915)	-
Subtotal	34,789	(6,253)	28,536
Deferred income tax liability:			
- Temporary differences:			
Unrealized foreign exchange gains	-	(30)	(30)
Subtotal	-	(30)	(30)
Total	$ 34,789	($ 6,283)	$ 28,506

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

(XXVI) Non-controlling Interest

Disposal of equity in subsidiaries (without losing control)

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

	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

(XXVII) 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	$ 114,983	150,000	$ 0.77
Diluted earnings per share			
Net income attributable to ordinary shareholders	114,983	150,000	
Impact of potential diluted ordinary shares			
Remuneration to employee	-	53	
Effects of the net income attributable to ordinary shareholders plus potential common stocks	$ 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	$ 38,108	150,000	$ 0.25
Diluted earnings per share			
Net income attributable to ordinary shareholders	$ 38,108	150,000	
Impact of potential diluted ordinary shares			
Remuneration to employee	-	20	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	$ 38,108	150,020	$ 0.25

(XXVIII) Cash flow supplementary information

1. Investing activities not affecting cash flow:

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

2. Investing activities paid partially by cash:

	2023	2022
Acquisition of financial assets at fair value through other comprehensive income	$ -	$ 348,801
Add: Investments payable at the beginning of the period	-	5,857
Cash payments for current period	$ -	$ 354,658

	2023	2022
Acquisition of property, plant and equipment	$ 297,902	$ 257,538
Add: Payables for equipment at the beginning of the period	31,937	36,364
Less: Payables for equipment at the end of the period	(13,065)	(31,937)
Cash payments for current period	$ 316,774	$ 261,965

(XXIX) Changes of liabilities from financing activities

	2023					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities - current and non-current	Long-term borrowings (including those due within one year or one operating cycle)	Non-current liabilities (guarantee deposits received)	Total liabilities from financing activities
January 1	$ 950,000	$ 309,832	$ 24,153	$ 2,550,000	$ 7,541	$ 3,841,526
Changes of the financing cash flows	(200,000)	(40,000)	(5,579)	(50,000)	-	(295,579)
Addition-Newly added lease contracts	-	-	752	-	-	752
Other non-cash changes	-	104	-	-	-	104
December 31	$ 750,000	$ 269,936	$ 19,326	$ 2,500,000	$ 7,541	$ 3,546,803

	2022					
	Short-term borrowings	Short-term notes and bills payable	Lease liabilities - current and non-current	Long-term borrowings (including those due within one year or one operating cycle)	Non-current liabilities (guarantee deposits received)	Total liabilities from financing activities
January 1	$ -	$ 239,824	$ 77,295	$ 2,500,000	$ 7,541	$ 2,824,660
Changes of the financing cash flows	950,000	70,000	(14,873)	50,000	-	1,055,127
Addition-Newly added lease contracts	-	-	486	-	-	486
Lease contract modifications	-	-	(38,580)	-	-	(38,580)
Gains on lease modifications	-	-	(175)	-	-	(175)
Other non-cash changes	-	8	-	-	-	8
December 31	$ 950,000	$ 309,832	$ 24,153	$ 2,550,000	$ 7,541	$ 3,841,526

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 the related party	Relationship with the Company
Ruentex Development Co., Ltd.	Ultimate parent company of the Company
Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering)	Direct parent company (The parent company of the Company)
Ruentex Interior Design Inc.	Subsidiary of the Company
Ruentex Property Management and Maintenance Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Bai-Yi Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Xu-Zhan Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Construction & Development Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Innovative Development Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Company)
Ruentex Industries Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Company)
Nan Shan Life Insurance Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Company)
Nan Shan General Insurance Co., Ltd.	Other related parties (subsidiary of a company recognized using the equity method for the ultimate parent company of the Company)
OBI Pharma, Inc.	Other related party (the Company's substantial related party)
Ruentex Construction & Engineering Co., Ltd. (Ruentex Construction)	Other related party (the management personnel of the Company's parent company is the representative of the juridical person director of the company)
Huei Hong Investment Co., Ltd.	Other related party (the Company's juridical person director)
Sunny Friend Environmental Technology Co., Ltd.	Other related parties (A company recognized using the equity method for the ultimate parent company of the Company)
Samuel Yen-Liang Yin	Other related party (a relative within the first degree of kinship of the representative of the juridical corporate director of the Company)

Mo, Wei-Han	Chairperson of the Company
Chen, Hsueh-Hsien	President of the Company

(III) Significant related party transactions and balances

1. Operating Revenue

	2023	2022
Sales of goods:		
The ultimate parent company	$ 33,531	$ 6,679
The direct parent company	136,259	129,812
Subsidiaries	8,929	3,541
Fellow subsidiary	2,219	1,750
Other related parties	8,371	3,594
Contract of construction:		
The ultimate parent company	15,456	3,228
The direct parent company	15,493	46,474
Subsidiaries	-	501
Fellow subsidiary	65	-
Other related parties	287	-
	$ 220,610	$ 195,579

There is no significant difference in the transaction prices and payment terms for goods sold and the non-related parties. The contract price of the contract of construction is negotiated by both parties and is collected by the due date as stated in the contract.

2. Receivables from related parties

	December 31, 2023	December 31, 2022
Notes receivable:		
The direct parent company	$ 3,895	$ 350
Accounts receivable:		
The ultimate parent company	$ 6,787	$ 3,982
The direct parent company	28,192	32,654
Subsidiaries	828	1,318
Fellow subsidiary	55	855
Other related parties	1,401	857
	$ 37,263	$ 39,666

3. Contract assets - retainable receivables

	December 31, 2023	December 31, 2022
The direct parent company	$ 1,086	$ 3,820

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
The ultimate parent company	$ 50,637	$ -	$ 33,121	$ -
The direct parent company	49,981	20,643	70,871	41,692
Other related parties	3,293	-	-	-
	$ 103,911	$ 20,643	$ 103,992	$ 41,692

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	$ 1,802
Other payables (Note):		
The direct parent company	$ -	$ 194
Fellow subsidiary	200	-
Other related parties	187	179
	$ 387	$ 373

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

6. Property transactions

(1) Acquisition of financial Assets

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

(2) Property, plant and equipment acquired

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

7. Lease transactions - Lessee/rent expenses

Rent expenses of short-term lease contracts

	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 Company

	December 31, 2023	December 31, 2022
The direct parent company	$ 88,368	$ 31,254
Key management personnel	$ 5,850,000	$ 5,700,000

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 the 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	$ 26,133	$ 27,907
Post-employment benefits	472	625
Termination benefits	-	495
Total	$ 26,605	$ 29,027

VIII. Pledged Assets

The Company'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)	$ -	$ 5,065	Performance bond
Property, plant, and equipment	1,527,041	1,552,610	Long-term borrowings and guarantee quota
Other financial assets - non-current (listed as "other non-current assets")	91,856	91,819	Performance bond
	$ 1,618,897	$ 1,649,494	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(V) Contingencies

Please refer to Note 6(8).

(VI) Commitments

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

1. As of December 31, 2023, the amount of the contract signed by the Company for the contracting of construction was NT$34,021, of which NT$15,018 had been paid in

accordance with the contract, and the remaining amount will be paid in accordance with the progress of the project.

2. As of December 31, 2023, the letters of credit issued but not yet used by the Company amounted to USD 139 thousand and EUR 106 thousand.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Except for those stated in Note 6(8), (16) and (24), there are no other significant events after the period.

XII. Others

(I) Capital management

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

The Company's strategy for 2023 remains the same as that for 2022. As of December 31, 2023 and 2022, the debt to total assets ratio was as follows:

	December 31, 2023	December 31, 2022
Total borrowings	$ 3,520,000	$ 3,810,000
Less: Cash and cash equivalents	(117,345)	(432,571)
Net debt	3,402,655	3,377,429
Total equity	2,281,215	2,206,537
Total capital	$ 5,683,870	$ 5,583,966
Debt-to-total-capital ratio	59.87%	60.48%

(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	$ 117,345	$ 432,571
Notes receivable (including related parties)	172,382	150,878
Accounts receivable (including related parties)	654,182	639,824
Refundable deposits (listed as other non-current assets)	21,493	21,393
Other financial assets (listed as other current assets and other non-current assets)	91,856	96,884
Financial Assets at fair value through other comprehensive income acquired		
Equity instrument investments by the option to designate	471,118	476,123
	$ 1,528,376	$ 1,817,673
Financial liabilities		
Financial liabilities are carried at amortized cost		
Short-term borrowings	$ 750,000	$ 950,000
Short-term nontes and bills payable	269,936	309,832
Notes payable (including related parties)	96,068	59,672
Accounts payable (including related parties)	216,460	203,124
Other payables (including related parties)	171,551	170,194
Long-term borrowings (including due within one year or one operating cycle)	2,500,000	2,550,000
Guarantee deposits received (listed as other non-current liabilities)	7,541	7,541
	$ 4,011,556	$ 4,250,363
Lease liabilities - current and non-current	$ 19,326	$ 24,153

2. Risk management policies

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

(2) Risk management work is executed by the Company's Financial Department according to the policies approved by the Board of Directors. Through close cooperation with the various operating units of the Company, the Company's

Financial Department is responsible for the identification, evaluation, and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

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

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

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

	December 31, 2022				
				Sensitivity analysis	
(Foreign currency: Functional currency)	Amount in foreign currency (NT$ Thousand)	Measurement at end of period Exchange rate	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 Company, and the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were losses of NT$2,041 and income NT$2,118, for the years ended December 31, 2023 and 2022, respectively.

Price risk

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

B. The Company mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, other comprehensive income due to classification to gains or losses of equity investments at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by NT$4,711 and NT$4,761.

Cash flow and fair value interest rate risk

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

B. The borrowing of the Company was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Company is exposed to the risk of future market interest rate change.

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

(2) Credit risk

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

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

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

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

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

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

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

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

	Group I	Group 2	Total
December 31, 2023			
Expected loss	0.02~0.03%	0.52%~100%	
Total carrying amount	$ 358,750	$ 315,314	$ 674,064
Allowance for losses	$ 92	$ 7,052	$ 7,144
	Group I	Group 2	Total
December 31, 2022			
Expected loss	0.02~0.03%	0.26%~100%	
Total carrying amount	$ 451,789	$ 203,395	$ 655,184
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 Company 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, time deposit, and equivalent cash - short-term notes and bills, etc. The instruments selected have appropriate maturity date or sufficient liquidity in order to cope with the aforementioned forecasts and to provide sufficient movement level.

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

	December 31, 2023	December 31, 2022
Due within one year	$ 580,000	$ 340,000
Due longer than one year	1,067,185	886,103
	$ 1,647,185	$ 1,226,103

D. The table below analyzes the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. Derivative financial liabilities are analyzed on the remaining period at the balance sheet date to the expected maturity date. The amounts disclosed in the following table are the contractual undiscounted cash flows:

Non-derivative financial liabilities: December 31, 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)	95,154	914	-
Accounts payable (including related parties)	214,438	986	1,036
Other payables (including related parties)	159,532	1,150	10,869
Lease liabilities - current (Note)	7,311	5,008	-
Long-term borrowings (Note)	11,061	33,183	2,524,684

Lease liabilities - non-current (Note)	-	-	7,206
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541

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

Non-derivative financial liabilities: December 31, 2022	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)	58,958	714	-
Accounts payable (including related parties)	198,900	1,009	3,215
Other payables (including related parties)	170,099	95	-
Lease liabilities - current (Note)	5,596	5,962	-
Long-term borrowings (including due within one year or one operating cycle) (Note)	11,264	581,076	2,017,250
Lease liabilities - non-current (Note)	-	-	12,963
Guarantee deposits received (listed as other non-current liabilities)	-	-	7,541

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

(III) Fair value information

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

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

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

   Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments other than those measured at fair value

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

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	$ 471,118	$ -	$ -	$ 471,118

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	$ 476,123	$ -	$ -	$ 476,123

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

XIII. Separately Disclosed Items

(I) Information on significant transactions (including related information on subsidiaries)

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

more: Please refer to Table 3.

9. Engaged in trading of derivative instruments undertaken during the reporting periods: None.

10. Business relationships and significant intercompany transactions and amounts between a parent and its subsidiary company, or between its subsidiaries: Transaction amounts reaching NT$10,000 thousand shall be disclosed in terms of assets and revenue.

    There are no business relationships or important transactions between the parent and subsidiaries amounting to NT$10,000 thousand or more in 2023.

(II) Information on Investees

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

(III) Information on Investments in China

None.

(IV) Information on main investors

Please refer to Table 5.

XIV. Information on Departments

Not applicable.

Ruentex Materials Co., Ltd.

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

December 31, 2023

Attached Table 1

Unit: NT$ thousands

(Except as Otherwise Indicated)

Company holding the securities	Type and name of the securities (Note 1)	Relations with the issuer of securities (Note 2)	Account recognized	End of the period				Remarks (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.

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)

The company making the purchase (sale) of goods	Name of counterparty	Relationship	Transaction conditions				Difference between the terms and conditions of transaction and the general type of transaction and the reason for any such difference (Note 1)		Notes receivable/payable and accounts receivable/payable		Remark (Note 2)
			Purchase (sale) of goods	Amount	As a percentage of total purchases (sales) of goods (Note 4)	Credit period	Unit price	Credit period	Balance	As a percentage of notes receivable/payable and accounts receivable/payable (Note 4)	
Ruentex Materials Co., Ltd.	Ruentex Engineering & Construction Co., Ltd.	Direct parent company of the Company	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.

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.

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: End of the current period	Original investment amount: End of last year	Holding at the end of period: Shares	Holding at the end of period: Percentage	Holding at the end of period: Carrying amount	Current profit and loss of the investee company	Gains and losses on investment recognized for the current period	Remark
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Interior design	$ 126,721	$ 126,721	4,750,000	35.19	$ 174,927	$ 148,069	$ 52,098	Subsidiaries

Ruentex Materials Co., Ltd.

Information on main investors

December 31, 2023

Attached Table 5

	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

Ruentex Materials Co., Ltd.
Statement of cash and cash equivalents
December 31, 2023

Statement 1

Unit: NT$ thousands

Item	Summary	Amount
Petty cash and cash on hand		$ 230
Bank deposits		
- Checking deposits		24,690
- Demand deposits	including USD 57,092.64, exchange rate 30.71 EUR 7.52, exchange rate 33.98	64,241
Cash equivalents - Bonds under repurchase agreements	Maturity before January 5, 2024, interest rate 0.62%	28,184
		$ 117,345

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Ruentex Materials Co., Ltd.
Statement of notes receivable
December 31, 2023

Statement 2 Unit: NT$ thousands

Customer name	Summary	Amount	Remarks
Customer A		$ 22,879	
Customer B		12,827	
Customer C		11,166	
Customer D		8,502	
Other sporadic customers		113,113	The balance of each sporadic customer has not exceed 5% or more of the account title
		$ 168,487	

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Ruentex Materials Co., Ltd.
Statement of accounts receivable
December 31, 2023

Statement 3 Unit: NT$ thousands

Customer name	Summary	Amount	Remarks
Customer E		$ 152,335	
Other sporadic customers		471,728	The balance of each sporadic customer has not exceed 5% or more of the account title
		624,063	
Less: Allowance for bad debt		(7,144)	
		$ 616,919	

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Ruentex Materials Co., Ltd.
Statement of Inventories
December 31, 2023

Statement 4 | Unit: NT$ thousands

Item	Summary	Amount: Cost	Amount: Net realizable value	Remarks
Raw materials and supplies		$ 469,135	$ 489,609	Based on net realizable value valuation
Work in process		164,837	201,197	
Finished goods		94,139	111,771	
Merchandise inventory		7,325	7,784	
		735,436	$ 810,361	
Less: Allowance for loss on market value decline of inventory		(2,618)		
Net Amount		$ 732,818		

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Ruentex Materials Co., Ltd.
Statement of changes in financial assets measured at fair value through profit or loss - non-Current
January 1, 2023 to December 31, 2023

Statement 5

Unit: NT$ thousands

Name	Beginning of Period: Number of shares	Beginning of Period: Fair value	Increased in the current period: Number of shares	Increased in the current period: Amount	Decreased in the current period: Number of shares	Decreased in the current period: Disposal proceeds	Decreased in the current period: Costs of disposal	Decreased in the current period: Disposal profit (loss)	Adjustment change to unrealized valuation gains and loss from financial products	End of Period: Number of shares	End of Period: Fair value	Provided as a guarantee or hedge	Remarks
Ruentex Industries Ltd.	7,200,236	$ 468,015	-	$ -	-	$ -	$ -	$ -	($ 5,040)	7,200,236	$ 462,975	Nil	
OBI Pharma, Inc.	117,337	8,108	-	-	-	-	-	-	35	117,337	8,143	Nil	
		$ 476,123		$ -		$ -	$ -	$ -	($ 5,005)		$ 471,118		

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Ruentex Materials Co., Ltd.
Statement of changes in investments accounted for using the equity method
January 1, 2023 to December 31, 2023

Statement 6 Unit: NT$ thousands

	Balance at the beginning of the period		Increase in the current period		Decrease in the current period		Balance at the end of the period			Market price		Provided as a guarantee or hedge	Remark
Name	Shares	Amount	Shares	Amount (Note 1)	Shares	Amount (Note 2)	Shares	Shareholding percentage	Amount	Unit price (NT$)	Total amount		
Ruentex Interior Design Inc.	4,750,000	$ 159,254	-	$ 51,298	-	($ 35,625)	4,750,000	35.19%	$174,927	177.50	$843,125	Nil	

Note 1: Including the shares of profit or loss of subsidiaries recognized using the equity method at NT$52,098, recognized fair value changes of other comprehensive income at (NT$572), and actuarial losses on defined benefits at NT$228.

Note 2: Including the cash dividends of $35,625 received in the current period.

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Ruentex Materials Co., Ltd.
Statement of short-term borrowings
December 31, 2023

Statement 7

Unit: NT$ thousands

Types of borrowing	Balance at the end of the period	Time-limit for contract	Interest rate collars	Loan limit	Mortgage or guarantee	Remarks
Credit Loan						
First Bank	$ 400,000	2023.09.22~2024.09.22	1.78%	$ 600,000	Guarantee notes NT$600,000	
Bank of Taiwan	350,000	2023.04.07~2024.04.07	1.83%	400,000	Guarantee notes NT$400,000	
	$ 750,000					

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Ruentex Materials Co., Ltd.
Statement of short-term notes and bills payable
December 31, 2023

Statement 8 Unit: NT$ thousands

Item	Guarantee or acceptance institution	Time-limit for contract	Interest rate collars	Amount			Mortgage or guarantee	Remarks
				Issuing amount	Unamortized discount for short-term bills payable	Carrying amount		
Commercial papers payable	China Bills	2023.12.21~2024.1.2	1.32%	$ 70,000	($ 2)	$ 69,998	Guarantee notes NT$100,000	
Commercial papers payable	Mega Bills	2023.12.29~2024.1.8	1.61%	200,000	(62)	199,938	Guarantee notes NT$200,000	
				$ 270,000	($ 64)	$ 269,936		

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Ruentex Materials Co., Ltd.
Statement of long-term borrowings
December 31, 2023

Statement 9 Unit: NT$ thousands

Creditor	Summary	Amount borrowed	Time-limit for contract	Interest Rate	Mortgage or guarantee	Remark
Chang Hwa Bank	Secured loan	$ 1,600,000	2023.09.01~2025.08.31	1.75%	Secured loan using property, plant and equipment	
Bank SinoPac	Credit Loan	400,000	2023.09.30~2025.09.30	1.80%	Guarantee notes NT$400,000	
KGI Bank	Credit Loan	200,000	2023.02.22~2025.02.22	1.852%	Guarantee notes NT$300,000	
Hua Nan Commercial Bank	Credit Loan	300,000	2023.12.23~2025.06.23	1.78%	Guarantee notes NT$300,000	
		$ 2,500,000				

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Ruentex Materials Co., Ltd.
Statement of operating income
January 1, 2023 to December 31, 2023

Statement 10 Unit: NT$ thousands

Item	Quantity	Amount	Remarks
Sales revenue			
Cement	697 thousand tons	$ 1,947,628	
RT.MIX building materials	533 thousand tons	1,911,927	
Ground granulated blast furnace slag	-	361	
Limestone	-	155	
Total sales revenue		3,860,071	
Sales returns		(6,289)	
Sales discounts		(24,601)	
Net sales revenue		3,829,181	
Construction contract revenue		48,029	
Other revenue from contracts		110,791	
Net amount of operating revenue		$ 3,988,001	

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Ruentex Materials Co., Ltd.
Statement of operating costs
January 1, 2023 to December 31, 2023

Statement 11 Unit: NT$ thousands

Item	Amount	Remarks
Operation cost		
Cost of sales for externally purchased products		
Beginning inventory	$ 326	
Add: Purchases for current period	37,122	
Less: Ending inventory	(7,325)	
Total cost of purchases and sales	30,123	
Manufacturing business costs		
Direct materials and supplies		
Beginning inventory	458,407	
Add: Materials purchased in the current period	2,342,568	
Less: Ending inventory	(469,135)	
Less: Transferred to production overheads	(137,629)	
Direct materials and supplies consumption	2,194,211	
Direct labor (Note 1)	113,904	
Production overheads (Note 2)	873,024	
Manufacturing cost	3,181,139	
Add: Beginning inventory of work-in-process	134,796	
Less: Ending inventory of work-in-process	(164,837)	
Finished goods cost	3,151,098	
Add: Beginning inventory of finished goods	110,761	
Less: Ending inventory of finished goods	(94,139)	
Add: Taxes, transportation, etc. costs (Note 3)	416,444	
Less: Revenue from sales of scraps	(8,260)	
Sub-total of production cost	3,575,904	
Loss on market value decline of inventory	1,646	
Total of production costs	3,577,550	
Total cost of sales	3,607,673	
Construction cost	37,223	
Other costs from contracts	7,153	
Total operation costs	$ 3,652,049	

Note 1: Including salary expense of NT$77,156.

Note 2: Including transferred from raw materials at NT$95,348.

Note 3: Including transferred from raw materials at NT$14,300 and unamortized production expenses at NT$6,840.

Ruentex Materials Co., Ltd.
Statement of production overheads
January 1, 2023 to December 31, 2023

Statement 12 Unit: NT$ thousands

Item	Summary	Amount	Remarks
Utilities expense		$ 275,271	
Depreciation expense		224,074	
Packaging expenses		182,567	
Wages and salaries		89,596	
Repairs and maintenance expenses		83,997	
Other overheads (Note)		17,519	
		$ 873,024	

Note: Including amortized expenses at NT$980.

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Ruentex Materials Co., Ltd.
Statement of selling expenses
January 1, 2023 to December 31, 2023

Statement 13 | Unit: NT$ thousands

Item	Summary	Amount	Remarks
Wages and salaries		$ 45,084	
Depreciation expense		3,777	
Insurance expense		4,116	
Other expense (Note)		22,728	
		$ 75,705	

Note: Including amortized expenses at NT$155.

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Ruentex Materials Co., Ltd.
Statement of administrative expenses
January 1, 2023 to December 31, 2023

Statement 14 Unit: NT$ thousands

Item	Summary	Amount	Remarks
Wages and salaries		$ 40,588	
Depreciation expense		3,213	
Other expense (Note)		42,918	
		$ 86,719	

Note: Including amortized expenses at NT$387.

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Ruentex Materials Co., Ltd.
Statement of research and development (R&D) expenses
January 1, 2023 to December 31, 2023

Statement 15 Unit: NT$ thousands

Item	Summary	Amount	Remarks
Wages and salaries		$ 27,724	
Depreciation expense		4,905	
Repairs and maintenance expenses		3,642	
Other expense		17,963	
		$ 54,234	

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Ruentex Materials Co., Ltd.

Summarized statement of employee benefits, depreciation, depletion and amortization expenses incurred during the current period

January 1, 2023 to December 31, 2023

Statement 16 Unit: NT$ thousands

Function / Nature	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Wages and salaries	$ 166,752	$ 113,396	$ 280,148	$ 155,318	$ 103,554	$ 258,872
Labor and Health Insurance costs	16,526	9,573	26,099	15,542	8,525	24,067
Pension expense	6,315	4,426	10,741	5,964	4,167	10,131
Directors' Remuneration	-	2,856	2,856	-	3,036	3,036
Other employee benefit expense	12,167	9,734	21,901	11,565	8,463	20,028
Depreciation expenses (including of right-of-use assets)	224,074	11,895	235,969	192,269	19,401	211,670
Amortization	7,820	542	8,362	7,444	2,021	9,465

Note:

1. As of December 31, 2023 and 2022, the number of employees was 360 and 349 persons, respectively, of which 8 directors were not employees.

2. Shall the shares of the company listed and traded in TWSE or TPEx, the following information shall be disclosed:

(1) The average employees' benefit expenses of the year was NT$963 thousand (total of employees' benefit expenses - total remuneration of directors of the year/number of employees - number of directors who are not concurrent employees of the year).

The average employees' benefit expenses of the previous year were NT$918 thousand (Total of employees' benefit expenses - total remuneration of directors of the previous year/number of employees - number of directors who are not concurrent employees of the previous year).

(2) The average employees' salary expenses of the year was NT$796 thousand (Total of salary expenses of the year/number of employees - number of directors who are not concurrent employees of the year).

The averaged employees' salary expenses of the previous year was NT$759 thousand (Total of salary expenses of the previous year/ number of the employees - numbers of directors who did not serve concurrently as employees of the previous year).

(3) The average adjustment to employees' salary expenses was 4.87% (Average salary expenses of the year - average salary expenses of the previous year/average salary expenses of the previous year).

Statement 16 Unit: NT$ thousands

(4) Company salary policy

A. Director salary and remuneration policy:

Regulations relating to the director remuneration is stated mainly in the Company's "Articles of Incorporation". The Board of Directors is authorized to decide the remuneration amount based on the director's involvement in the Company's operation and contribution with reference to industry standard. After the Remuneration Committee makes its suggested proposal, it is submitted to the Board for discussion.

B. Managerial officer salary and remuneration policy:

The salary and remuneration of the Company's managerial officers shall be made with reference to industry standards and taking into account of the individual performance evaluation results, the time invested, job responsibility, achievement of objectives, performances in other posts, and compensation to the equivalent ranks within the Company in recent years. Furthermore, the Company also considers its achievements in short-term and long-term business objectives, the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure. After the Remuneration Committee makes its suggested proposal, it is submitted to the Board for discussion.

C. Employee salary and remuneration policy:

The employee salary approval is based on the Company's "Salary Management Regulations" and the related bonus and subsidy regulations established by the Company. These form the basis in providing employee remuneration and benefits complying with labor laws, mainly consisting of basic salary (including base salary, meal subsidy), position allowance, professional subsidy, performance rewards, individual performance annual salary adjustment, end-of-year bonuses, and so on. Additionally, the Company's "Articles of Incorporation" regulate that if the Company makes profit for the year, it shall allocate at least 1% of the profit as employee remuneration, and the Company shall reserve an amount in advance to make up for any accumulated losses, so as to put the business performance results into appropriate reflection toward employees' remuneration.