

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Financial Statements and
Independent Auditors' Report
2025 and 2024
(Stock Code: 8463)

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

Telephone: (02)8161-9989

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Financial Statements and Independent Auditors' Report 2025 and 2024
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Ruentex Materials Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the consolidated financial statements of the Company as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, a separate set of combined financial statements will not be prepared.

Hereby declared.

Company name: Ruentex Materials Co., Ltd.

Responsible person: Mo, Wei-Han

March 13, 2026

Independent Auditors' Report

(2026)Cai-Shen-Bao-Zi No.25005186

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

Audit Opinions

We have audited the consolidated balance sheets of Ruentex Materials Co., Ltd. and its subsidiaries (hereinafter referred to as “the Group”) as of December 31, 2025 and 2024, the consolidated comprehensive income statements, equity statements and cash flow statements for the years then ended, and the notes to the consolidated financial report (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the years ended December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Audit Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2025. These matters were addressed in the context of our audit opinion of the consolidated 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 consolidated financial statements of the Group for the year ended December 31, 2025 are as follows:

Assessment on Recognition of Construction Contract Income - Construction Completion Progress

Description of Key Audit Matters

Regarding the accounting policy on operating revenue recognition, please refer to Note 4(28) of the consolidated financial report. For the critical accounting estimates and assumptions, please refer to Note 5. For the operating revenue, please refer to Note 6(20).

The Group's 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 reporting period over the estimated total cost for such construction contract. The aforementioned estimated total cost was provided by the Group based on the quantitative units of the owners' design and construction drawings, along with the fluctuations in current market prices at that time, in order to estimate various construction costs to be invested, including subcontracting, material, and labor costs.

Since the estimated total construction cost affects the completion progress and the recognition of construction contract income, and since the items of total construction cost are complicated and often involve a high degree of estimation, resulting in significant uncertainty, consequently, we considered 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 audit procedures we performed in response to the assessment of the stage of completion described in the above key audit matter are summarized as follows:

1. Based on our understanding of the business operation and nature of the industry of the Group, we assessed the internal operation procedures used in the estimation of total construction cost, including the procedures for determining each construction cost item (subcontracting, material, and labor costs) based on the quantitative units of the owners' design and construction drawings, and the consistency of the estimation method.
2. We assessed and tested the internal controls established by management over the recognition of construction contract income based on the construction completion progress, including checking the supporting documents for additional and deducted works during the current period and for significant valuation works.
3. We conducted on-site observation and interviews at major construction sites still in progress at the end of the period to confirm that the progress of such projects was appropriate.
4. We obtained the details of construction profit or loss at the end of the period and performed relevant substantive procedures, including randomly checking the incurred cost of the current period against appropriate supporting documents, checking additional and deducted works

against supporting documents, and recalculating the construction contract income recognized based on the construction completion progress to ensure that it had been properly recorded.

Other Matter – Unconsolidated Financial Statements

Ruentex Materials Co., Ltd. has prepared its unconsolidated financial statements for the years ended December 31, 2025 and 2024, on which we have issued an auditors' report expressing an unqualified opinion, for reference only.

Responsibilities of the Management and Governing Bodies for Consolidated Financial Statements

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

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

Those charged with governance of the Group (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Responsibilities of the Accountants for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated financial statements.

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We have also conducted the following tasks:

1. Identify and assess the risk of material misstatement of the consolidated 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 Group'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, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated 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 Group in order to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision and execution of the audit and for preparing the audit opinion on the consolidated financial statements.

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 those charged with governance with statements that the personnel of our firm subject to the independence requirements have complied with the relevant ethical requirements regarding independence, and we have also communicated with those charged with governance on all relationships and other matters, including relevant safeguards, that may reasonably be thought to bear on our independence.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the consolidated financial statements of the Group for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' 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, 2026

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NT\$ thousands

Assets		Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 381,163	4	\$ 905,794	9
1136	Financial assets measured by amortized cost - current		50,705	-	50,000	-
1140	Contract asset - current	6(20) and 7	773,998	8	750,639	7
1150	Net notes receivable	6(2)	197,909	2	255,353	3
1160	Notes receivable - related parties - net	6(2) and 7	8,415	-	52,121	1
1170	Net Accounts Receivable	6(2)	1,099,765	11	713,190	7
1180	Accounts receivable - related parties - net	6(2) and 7	51,995	-	74,597	1
1200	Other receivables		1,633	-	2,660	-
1210	Other Receivables - related party	7	99	-	-	-
1220	Current tax assets		-	-	87	-
130X	Inventories	6(3)	831,431	8	751,973	7
1410	Prepayments		90,000	1	31,031	-
1470	Other Current Assets	6(1) and 8	159,328	2	155,701	2
11XX	Total current assets		3,646,441	36	3,743,146	37
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non- current	6(4) and 7	543,449	5	717,099	7
1550	Investments accounted for using equity method	6(5)(13) and 8	1,707,545	17	1,576,964	16
1600	Property, plant, and equipment	6(6), 7 and 8	3,865,049	38	3,700,847	37
1755	Right-of-use assets	6(7)	20,129	-	36,837	-
1780	Intangible Assets	6(8)	52,983	1	164,806	2
1840	Deferred tax Assets	6(28)	58,095	1	32,464	-
1900	Other non-current Assets	6(1)(6) and 8	203,049	2	117,580	1
15XX	Total non-current assets		6,450,299	64	6,346,597	63
1XXX	Total Assets		\$ 10,096,740	100	\$ 10,089,743	100

(Continued)

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: NT\$ thousands

Liabilities and Equity			December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(10) and 8	\$ 1,700,000	17	\$ 1,200,000	12
2110	Short-term notes and bills payable	6(11)	409,898	4	409,822	4
2130	Contract liabilities - current	6(20) and 7	55,818	1	94,412	1
2150	Notes payable		116,824	1	201,331	2
2160	Notes payable - related party	7	1,924	-	566	-
2170	Accounts Payable		1,091,489	11	1,214,182	12
2180	Accounts payable - related party	7	162,427	2	2,107	-
2200	Other payables	6(12)	250,389	2	288,585	3
2220	Other Payable - Related Party	7	13,212	-	446	-
2230	Income tax liabilities of current period		51,839	-	49,661	1
2280	Lease liabilities - current	6(7)	21,648	-	24,440	-
2399	Other current liabilities - other	6(15)	18,456	-	5,628	-
21XX	Total Current Liabilities		3,893,924	38	3,491,180	35
Non-current liabilities						
2540	Long-term borrowings	6(13) and 8	3,060,000	30	3,430,000	34
2570	Deferred income tax liabilities	6(28)	558	-	5,417	-
2580	Lease liabilities - non-current	6(7)	6,986	-	15,499	-
2600	Other non-Current liabilities	6(14)(15)	36,909	1	38,478	-
25XX	Total Non-Current Liabilities		3,104,453	31	3,489,394	34
2XXX	Total Liabilities		6,998,377	69	6,980,574	69
Equity						
Equity attributed to owners of the parent						
	Capital	6(17)				
3110	Share capital		1,500,000	15	1,500,000	15
	Capital surplus	6(18)				
3200	Capital surplus		746,018	7	746,018	7
	Retained earnings	6(19)				
3310	Legal reserve		81,032	1	62,246	1
3320	Special reserve		48,663	1	55,895	1
3350	Undistributed earnings		289,402	3	188,065	2
	Other equities					
3400	Other equities		(190,056)	(2)	(48,663)	(1)
31XX	Total equity attributable to owners of parent		2,475,059	25	2,503,561	25
36XX	Non-controlling Interest	4(3)	623,304	6	605,608	6
3XXX	Total Equity		3,098,363	31	3,109,169	31
	Significant Contingent Liabilities and Unrecognized Commitments	9				
	Significant subsequent events	11				
3X2X	Total Liabilities and Equity		\$ 10,096,740	100	\$ 10,089,743	100

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

Chairman: Mo, Wei-Han

Manager: Lin, Yi-Chieh

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2025 and 2024

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

	Item	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating Revenue	6(20) and 7	\$ 7,221,680	100	\$ 6,667,704	100
5000	Operation cost	6(3)(8)(14)(21)(26)(27) and 7	(6,300,355)	(87)	(5,845,109)	(88)
5900	Gross profit		<u>921,325</u>	<u>13</u>	<u>822,595</u>	<u>12</u>
	Operating Expenses	6(8)(14)(26)(27) and 7				
6100	Selling expenses		(131,916)	(2)	(121,790)	(2)
6200	General & administrative expenses		(173,908)	(2)	(204,986)	(3)
6300	R&D expenses		(64,965)	(1)	(58,942)	(1)
6450	Expected credit impairment loss	12(2)	(246)	-	(3,391)	-
6000	Total Operating Expenses		(371,035)	(5)	(389,109)	(6)
6900	Operating Profit		<u>550,290</u>	<u>8</u>	<u>433,486</u>	<u>6</u>
	Non-operating Income and Expenses					
7100	Interest revenue	6(22)	11,488	-	8,594	-
7010	Other income	6(4)(23)	31,109	1	27,562	1
7020	Other gains and losses	6(9)(24)	(133,364)	(2)	(778)	-
7050	Financial Costs	6(25)	(96,158)	(1)	(69,064)	(1)
7060	Share of income of associates and joint ventures accounted for using the equity method	6(5)	<u>175,491</u>	<u>2</u>	<u>12,616</u>	<u>-</u>
7000	Total non-operating income and expenses		(11,434)	-	(21,070)	-
7900	Net profit before tax		<u>538,856</u>	<u>8</u>	<u>412,416</u>	<u>6</u>
7950	Income tax expense	6(28)	(61,874)	(1)	(74,002)	(1)
8200	Net income of current period		<u>\$ 476,982</u>	<u>7</u>	<u>\$ 338,414</u>	<u>5</u>
	Other comprehensive income (net)					
	Items not to be reclassified into profit or loss					
8311	Remeasurements of the defined benefit plan	6(14)	(\$ 308)	-	\$ 1,304	-
8316	Unrealized profit or loss on equity investments at fair value through other comprehensive income	6(4)	(173,650)	(3)	78,015	1
8349	Income tax relating to non-reclassified items	6(28)	<u>4,920</u>	<u>-</u>	<u>(2,224)</u>	<u>-</u>
8310	Total of items not to be reclassified into profit or loss		(169,038)	(3)	<u>77,095</u>	<u>1</u>
8500	Total comprehensive income for the current period		<u>\$ 307,944</u>	<u>4</u>	<u>\$ 415,509</u>	<u>6</u>
	Profit attributable to:					
8610	Owners of the parent		<u>\$ 277,969</u>	<u>4</u>	<u>\$ 187,533</u>	<u>3</u>
8620	Non-controlling Interest		<u>\$ 199,013</u>	<u>3</u>	<u>\$ 150,881</u>	<u>2</u>
	Comprehensive Income attributed to:					
8710	Owners of the parent		<u>\$ 136,498</u>	<u>2</u>	<u>\$ 250,952</u>	<u>4</u>
8720	Non-controlling Interest		<u>\$ 171,446</u>	<u>2</u>	<u>\$ 164,557</u>	<u>2</u>
	Earnings per share	6(29)				
9750	Basic earnings per share		<u>\$ 1.85</u>		<u>\$ 1.25</u>	
9850	Diluted earnings per share		<u>\$ 1.85</u>		<u>\$ 1.25</u>	

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

Chairman: Mo, Wei-Han

Manager: Lin, Yi-Chieh

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands

Equity attributed to owners of the parent												
	Notes	Capital surplus			Retained earnings			Unrealized financial assets at fair value through other comprehensive income acquired	Income (Loss)	Total	Non-controlling Interest	Total Equity
		Share capital	Issued at premium	Difference between the equity price and the book value of actual acquisition or disposition of subsidiaries	Changes in the ownership interests of subsidiaries as recognized	Legal reserve	Special reserve					
<u>2024</u>												
Balance on January 1, 2024		\$ 1,500,000	\$ 621,657	\$ 15,076	\$ 40,391	\$ 50,770	\$ 50,317	\$ 114,756	(\$ 111,752)	\$ 2,281,215	\$ 322,234	\$ 2,603,449
Net income of current period		-	-	-	-	-	-	187,533	-	187,533	150,881	338,414
Other comprehensive income		-	-	-	-	-	-	330	63,089	63,419	13,676	77,095
Total comprehensive income for this period		-	-	-	-	-	-	187,863	63,089	250,952	164,557	415,509
Appropriation and distribution of the earnings for 2023:	6(19)											
Profit set aside as legal reserve		-	-	-	-	11,476	-	(11,476)	-	-	-	-
Provision of special reserves		-	-	-	-	-	5,578	(5,578)	-	-	-	-
Cash dividends		-	-	-	-	-	-	(97,500)	-	(97,500)	-	(97,500)
Changes in ownership interests in subsidiaries	4(3) and 6(30)	-	-	-	68,894	-	-	-	-	68,894	211,067	279,961
Cash dividends for non-controlling interests	4(3)	-	-	-	-	-	-	-	-	-	(92,250)	(92,250)
Balance on December 31, 2024		<u>\$ 1,500,000</u>	<u>\$ 621,657</u>	<u>\$ 15,076</u>	<u>\$ 109,285</u>	<u>\$ 62,246</u>	<u>\$ 55,895</u>	<u>\$ 188,065</u>	<u>(\$ 48,663)</u>	<u>\$ 2,503,561</u>	<u>\$ 605,608</u>	<u>\$ 3,109,169</u>
<u>2025</u>												
Balance on January 1, 2025		\$ 1,500,000	\$ 621,657	\$ 15,076	\$ 109,285	\$ 62,246	\$ 55,895	\$ 188,065	(\$ 48,663)	\$ 2,503,561	\$ 605,608	\$ 3,109,169
Net income of current period		-	-	-	-	-	-	277,969	-	277,969	199,013	476,982
Other comprehensive income		-	-	-	-	-	-	(78)	(141,393)	(141,471)	(27,567)	(169,038)
Total comprehensive income for this period		-	-	-	-	-	-	277,891	(141,393)	136,498	171,446	307,944
Appropriation and distribution of the earnings for 2024:	6(19)											
Profit set aside as legal reserve		-	-	-	-	18,786	-	(18,786)	-	-	-	-
Reversal of special reserve		-	-	-	-	-	(7,232)	7,232	-	-	-	-
Cash dividends		-	-	-	-	-	-	(165,000)	-	(165,000)	-	(165,000)
Cash dividends for non-controlling interests	4(3)	-	-	-	-	-	-	-	-	-	(153,750)	(153,750)
Balance on December 31, 2025		<u>\$ 1,500,000</u>	<u>\$ 621,657</u>	<u>\$ 15,076</u>	<u>\$ 109,285</u>	<u>\$ 81,032</u>	<u>\$ 48,663</u>	<u>\$ 289,402</u>	<u>(\$ 190,056)</u>	<u>\$ 2,475,059</u>	<u>\$ 623,304</u>	<u>\$ 3,098,363</u>

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

Chairman: Mo, Wei-Han

Manager: Lin, Yi-Chieh

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands

	Notes	2025	2024
<u>Cash flows from operating activities</u>			
Profit before Income Tax current period		\$ 538,856	\$ 412,416
Adjustments			
Income and expenses with no cash flow effects			
Depreciation expense	6(6)(7)		
	(26)	298,957	282,159
Depreciation and amortization expenses	6(8)(26)	1,136	6,403
Expected credit impairment loss	12(2)	246	3,391
Interest Cost	6(25)	96,158	69,064
Interest revenue	6(22)	(11,488)	(8,594)
Dividend income	6(23)	(24,497)	(24,497)
Reclassification of provision to other income	6(23)	(2,922)	(1,353)
Compensation cost of employee stock options	6(16)		
	(27)	-	1,735
Share of profit of associates and joint ventures accounted for using the equity method	6(5)	(175,491)	(12,616)
Loss on disposal of property, plant and equipment	6(24)	-	41
Gain on write-off of overdue payables	6(23)	(766)	(465)
Reclassification of other payables to other income	6(23)	(39)	(89)
Gains on lease modifications	6(7)(24)	(5)	-
Impairment loss on intangible assets	6(8)(24)	112,410	-
Impairment loss on other financial assets	6(8)(24)	20,000	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Contract asset - current		(23,359)	(372,902)
Notes receivable		57,444	(86,866)
Bills receivable - related parties		43,706	(46,618)
Accounts receivable		(386,821)	152,976
Account Receivable - Related Party		22,602	173,405
Other receivables		(21)	3,298
Other Receivables - related party		(99)	-
Inventories		(79,458)	(19,155)
Prepayments		(58,969)	6,677
Other Current Assets		(1)	1
Net change in liabilities related to operating activities			
Contract liabilities		(38,594)	44,060
Notes payable		(84,507)	64,754
Notes payable - related party		1,358	(155)
Accounts Payable		(121,927)	474,160
Accounts payable - related party		160,320	49
Other payables		(16,761)	35,436
Other payables - related party		1,845	(172)
Provisions - current and non-current	6(15)	9,771	1,310
Other Current liabilities		3,875	1,589
Other non-Current liabilities		(1,376)	76
Cash flow in from operating		341,583	1,159,518
Dividends received	6(5)(23)	69,407	24,497
Interest received		12,536	6,922
Interest paid		(97,122)	(67,374)
Income tax paid		(85,266)	(68,251)
Income tax refunded		87	-
Cash inflow from operating activities		241,225	1,055,312

(Continued)

Ruentex Materials Co., Ltd. and its subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024

Unit: NT\$ thousands

	Notes	2025	2024
<u>Cash flows from investing activities</u>			
Acquisition of financial assets measured at amortized costs - current		(\$ 705)	(\$ 50,000)
Acquisition of financial Assets at fair value through other comprehensive income	6(4)	-	(885)
Increase in other financial assets		(3,670)	(138,778)
Real estate, plant and equipment acquired	6(31)	(451,489)	(270,942)
Acquisition of intangible assets	6(8)	(1,723)	(935)
Acquisition of investments accounted for using the equity method	6(5)	-	(1,564,348)
Increase in prepayments for equipment		(6,747)	(1,533)
Increase in prepayments for building and land	6(6)	(100,653)	-
Increase in prepaid construction payments	7(3)	-	(2,084)
Decrease (increase) in refundable deposits		(109)	49
Cash used in investing activities		(565,096)	(2,029,456)
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(32)	500,000	450,000
Increase in short-term bills payable	6(32)	-	140,000
Proceeds from long-term borrowings	6(32)	870,000	1,380,000
Repayments of long-term borrowings	6(32)	(1,240,000)	(450,000)
Principal elements of lease payments	6(32)	(13,613)	(30,051)
Increase in guarantee deposits	6(32)	1,603	1,251
Cash dividends paid	6(19)	(165,000)	(97,500)
Changes in non-controlling interests - cash capital increase by subsidiaries	6(30)	-	278,226
Changes in non-controlling interests - cash dividends paid by subsidiaries	4(3)	(153,750)	(92,250)
Net cash generated from (used in) financing activities		(200,760)	1,579,676
Increase (decrease) of cash and cash equivalents – current period		(524,631)	605,532
Cash and cash equivalents, beginning of period		905,794	300,262
Cash and cash equivalents, end of period		<u>\$ 381,163</u>	<u>\$ 905,794</u>

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

Chairman: Mo, Wei-Han

Manager: Lin, Yi-Chieh

Accounting Manager: Wu, Po-Chung

Ruentex Materials Co., Ltd. and its subsidiaries
Notes to the Consolidated Financial Statements
2025 and 2024

Unit: NT\$ thousands
(Except as Otherwise Indicated)

I. History and Organization

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

II. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were authorized for issuance by the Group’s Board of Directors on March 13, 2026.

III. Application of New Standards, Amendments and Interpretations

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

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

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

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

(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 2026 are as follows:

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

It is updated that the fair values of equity instruments designated as at fair value through other comprehensive income through an irrevocable election should be disclosed on a per-category basis without a need to disclose the fair value per instrument. In addition, the amount of fair value gain or loss recognized in other comprehensive income during the reporting period should be disclosed and separately presented in the amount of fair value gain or loss related to the investments that were derecognized during the reporting period, the amount of fair value gain and loss related to the investments still held at the end of the reporting period; and cumulative gains and losses from investments derecognized during the reporting period and transferred to equity during the reporting period.

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

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

<u>New and revised standards, amendments to standards and interpretations</u>	<u>Effective date published by the International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by the International Accounting Standards Board (IASB)
IFRS 18 "Presentation and Disclosure in of Financial Statements"	January 1, 2027 (Note)
IFRS 19 “Disclosure Initiative—Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
Amendments to IAS 21, “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: In its press release dated September 25, 2025, the FSC announced that public companies shall apply International Financial Reporting Standard 18 (hereinafter referred to as “IFRS 18”) starting from 2028. Furthermore, if an enterprise wishes to adopt IFRS 18 early, it may elect to apply the provisions of IFRS 18 in advance after the FSC endorses the standard.

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

IFRS 18 "Presentation and Disclosure in of Financial Statements"

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

IV. Summary of Significant Accounting Policies

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

(I) Compliance statement

These consolidated financial statements were prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC (hereinafter collectively referred to as the “IFRSs”).

(II) Basis of preparation

1. Except the following material items, these consolidated financial statements have been prepared under the historical cost convention:

- (1) Financial assets at fair value through other comprehensive income.
 - (2) Defined benefit liabilities recognized based on the net amount of pension fund Assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in applying the Group's accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements
 - (1) The Group includes all subsidiaries in the preparation of the consolidated financial statements. Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.
 - (2) Transactions, balances and unrealized gains or losses between companies within the Group have been eliminated. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is also attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (4) Changes in the parent's ownership interest in a subsidiary that do not result in loss of control, that is, transactions with non-controlling interests, are accounted for as equity transactions, namely, transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
2. Subsidiaries included in the consolidated financial statements:

<u>Name of the investing company</u>	<u>Name of Subsidiary</u>	<u>Business nature</u>	<u>Percentage of Ownership</u>		<u>Description</u>
			<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Interior decoration design and	31.66%	31.66%	Note
	(Ruentex Interior Design)	construction and garden greening design			

- Note: 1. Though the Company does not own more than 50% of the voting rights directly or indirectly, but meets the requirement of controlling capability, and thus it is included in the consolidated entity.
- Note 2: In order to cooperate with the public underwriting before the initial listing on Taipei Exchange by Ruentex Interior Design, a subsidiary of the Company, the board of directors approved by resolution, on March 26, 2024, the cash capital increase by 1,500 thousand shares, with a face value of NT\$10 per share, all of which are ordinary shares. May 17, 2024, was the record date for capital increase, and the registration of the change was completed on June 19, 2024. The Company did not subscribe in proportion to its shareholding, so its shareholding fell to 31.66% and recognized NT\$68,894 in capital surplus – changes in the ownership interests of subsidiaries. Please find Note 6(30) for details of transactions with non-controlling interests.
3. Subsidiaries not included in the consolidated financial statements: None.
 4. Adjustments for subsidiaries with different balance sheet dates: None.
 5. Significant restrictions: None.
 6. Subsidiaries that have non-controlling interests that are material to the Group:

		<u>Non-controlling Interest</u>			
<u>Name of Subsidiary</u>	<u>Principal Place of Business</u>	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
		<u>Amount</u>	<u>Percentage shareholding</u>	<u>Amount</u>	<u>Percentage shareholding</u>
Ruentex Interior Design	Taiwan	\$ 623,304	68.34%	\$ 605,608	68.34%

Summary of subsidiaries' financial information:

Balance Sheets

	<u>Ruentex Interior Design</u>	
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current Assets	\$ 1,683,437	\$ 1,870,494
Non-current assets	388,389	210,173
Current liabilities	(1,144,808)	(1,170,400)
Non-current liabilities	(14,865)	(24,012)
Total net assets	<u>\$ 912,153</u>	<u>\$ 886,255</u>

Statements of Comprehensive Income

	<u>Ruentex Interior Design</u>	
	<u>2025</u>	<u>2024</u>
Income	\$ 2,464,505	\$ 2,055,109
Net profit before tax	362,495	278,419
Income tax expense	(71,255)	(54,414)
Net profit for the period of the continued business unit	291,240	224,005
Other comprehensive income (Net of tax)	(40,342)	20,128
Total comprehensive income for this period	<u>\$ 250,898</u>	<u>\$ 244,133</u>
Total comprehensive income attributed to non-controlling interest	<u>\$ 171,446</u>	<u>\$ 164,557</u>
Dividends paid to non-controlling interest	<u>\$ 153,750</u>	<u>\$ 92,250</u>

Statements of Cash Flows

	<u>Ruentex Interior Design</u>	
	<u>2025</u>	<u>2024</u>
Net cash generated from (used in) operating activities	(\$ 87,071)	\$ 618,271
Cash used in investing activities	(237,375)	(190,039)
Net Cash outflow (Inflow) from financing activities	(233,122)	135,572
Increase (decrease) of cash and cash equivalents – current period	(557,568)	563,804
Cash and cash equivalents, beginning of period	<u>746,721</u>	<u>182,917</u>
Cash and cash equivalents, end of period	<u>\$ 189,153</u>	<u>\$ 746,721</u>

(IV) Foreign currency translation

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). These consolidated financial statements are presented in “New Taiwan dollars,” which is the Company’s functional currency.

Foreign currency transactions 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 foreign exchange gains and losses are presented in the statement of comprehensive income within “other gains and losses”.

(V) Classification of current and non-current items

1. Assets that meet one of the following criteria are classified as current assets:
 - (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
 - (2) Liabilities held mainly for trading purposes.
 - (3) Assets that are expected to be realized within 12 months after the reporting period.
 - (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 reporting period.

The Group classifies all assets that do not meet the above criteria 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) Liabilities held mainly for trading purposes.
 - (3) Liabilities that are to be settled within 12 months after the reporting period.
 - (4) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

The Group classifies all liabilities that do not meet the above criteria as non-current liabilities.

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

(VI) Cash equivalents

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

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

1. These are equity investments not held for trading for which an irrevocable election is made at initial recognition to present changes in fair value in other comprehensive income.
2. The Group applies trade date accounting to financial assets at fair value through other comprehensive income that are purchased or sold under regular way transactions.
3. The Group measures such financial assets at fair value plus transaction costs on initial recognition and subsequently measures them at fair value:

For equity instruments, changes in fair value are recognized in other comprehensive income. Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income shall not be reclassified subsequently to profit or loss, but shall be transferred to retained earnings.) When the Group's right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow to the Group, and the amount of the dividends can be measured reliably. In that case, the Group recognizes dividend income in profit or loss.

(VIII) Financial assets at amortized cost

1. Financial assets that meet all of the following conditions:
 - (1) They are held within a business model whose objective is to collect the contractual cash flows.
 - (2) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts trade date accounting for financial assets at amortized cost that are purchased or sold under regular way transactions.
3. At initial recognition, the Group measures financial assets at amortized cost at their fair value plus transaction costs. Subsequently, interest income is recognized over the period of circulation using the effective interest method and amortization procedure; impairment losses are recognized, and upon derecognition, any gain or loss is recognized in profit or loss.

4. Time deposits held by the Group that do not qualify as cash equivalents are measured at the investment amount, as the effect of discounting is immaterial due to their short holding period.

(IX) Accounts and notes receivable

1. Accounts and notes receivable refer to the Group's unconditional right to consideration in exchange for goods transferred or services rendered in accordance with the contract terms.
2. Short-term accounts and notes receivable without bearing interest are measured at the original invoice amount, as the effect of discounting is immaterial.

(X) Impairment of financial assets

At each balance sheet date, for financial assets measured at amortized cost, the Group considers all reasonable and supportable information, including forward-looking information. For those for which credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses. For those for which credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For accounts receivable or contract assets that do not contain a significant financing component, the loss allowance is measured at an amount equal to the lifetime expected credit losses.

(XI) Derecognition of financial assets

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

(XII) Lease transactions of lessor - operating leases

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

(XIII) Inventories

The perpetual inventory system is adopted. Inventories are measured at the lower of cost and net realizable value, and cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads allocated based on normal operating capacity, but excludes borrowing costs. In comparing cost and net realizable value item by item, net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(XIV) Investments accounted for using the equity method -associates

1. Associates are all entities over which the Group has significant influence but not control. In general, the Group holds, directly or indirectly, 20% or more of the voting rights of such entities. Investments in associates are accounted for using the equity method and are

initially recognized at cost.

2. The Group's share of post-acquisition profit or loss of associates is recognized in profit or loss for the current period, and its share of post-acquisition other comprehensive income of associates is recognized in other comprehensive income. If the Group's share of losses of any associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses unless it has incurred legal or constructive obligations or has made payments on behalf of the associate.
3. When an associate has changes in equity other than profit or loss and other comprehensive income, and such changes do not affect the Group's ownership percentage in the associate, the Group recognizes its share of such changes in "capital surplus" based on its ownership percentage.
4. Unrealized gains and losses arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. If an associate issues new shares and the Group does not subscribe for or acquire the new shares in proportion to its ownership interest, resulting in a change in the Group's ownership percentage while the Group continues to have significant influence over the associate, the resulting change in the carrying amount of the investment is recognized as an adjustment to "capital surplus" and "investments accounted for using the equity method." If the Group's ownership percentage decreases, then, in addition to the above adjustment, the proportionate amount of gains or losses previously recognized in other comprehensive income in relation to that ownership interest shall be reclassified to profit or loss if such gains or losses would be reclassified to profit or loss on the disposal of the related assets or liabilities.
6. Upon disposal of an associate, if the Group loses significant influence over the associate, all amounts previously recognized in other comprehensive income in relation to the associate shall be accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. Accordingly, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, such gain or loss is reclassified from equity to profit or loss when the Group loses significant influence over the associate. If the Group continues to have significant influence over the associate, then the amount previously recognized in the other comprehensive income is transferred out proportionally according to the aforementioned method.
7. At each balance sheet date, for associates with indications of impairment, the Group

performs an impairment test by treating the entire carrying amount of the investment, including goodwill, as a single asset and comparing its recoverable amount, being the higher of value in use and fair value less costs of disposal, with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of such impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(XV) Property, plant, and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the interest is capitalized over the acquisition and construction period.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of real estate, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2 years ~ 50 years
Machinery and equipment	2 years ~ 25 years
Transport equipment	2 years ~ 5 years
Office equipment	3 years ~ 5 years
Lease assets	3 years ~ 6 years
Miscellaneous equipment	2 years ~ 11 years

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

1. The lease assets are recognized as the right-of-use assets and lease liabilities on the date availed to the Group. If the lease contracts are short-term lease or low-value underlying asset lease, the lease payments are recognized as expenses during the lease terms with the

straight line method.

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

(XVII) Intangible Assets

1. Mineral source

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 acquired separately are recognized at acquisition cost. Trademarks, patent rights, and service concessions are assets with finite useful lives and are amortized on a straight-line basis over their estimated 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; and
 - 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.

(XVIII) Impairment of non-financial assets

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

(XIX) Loans

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

(XX) Accounts and notes 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. Short-term accounts and notes payable without bearing interest are measured at the original invoice amount, as the effect of discounting is immaterial.

(XXI) Derecognition of financial liabilities

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

(XXII) Provisions

1. Warranty provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The provision is measured at the present value of the best estimate of the expenditure required to settle the obligation at the balance sheet date. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Unwinding of the discount is recognized as interest expense. Future operating losses shall not be recognized as provisions.
2. The carbon fee levied under Taiwan's Climate Change Response Act and its regulations does not fall within the scope of IFRIC 21 Levies, but is instead recognized and measured in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. If the estimated annual emissions are likely to exceed the threshold for carbon fee imposition, a related liability should be accrued in the interim financial statements based on the proportion of emissions incurred to date relative to the estimated total annual emissions.

(XXIII) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognized as expenses when the related services are rendered.

2. Pensions

- (1) Defined contribution plan

For defined contribution plans, pension contributions are recognized as pension costs in the current period on an accrual basis. Prepaid contributions are recognized as assets to the extent of a cash refund or a reduction in future payments.

- (2) Defined benefit plan

- A. The net obligation under a defined benefit plan is calculated by discounting the amount of future benefits earned by employees in the current or prior periods of service, and is measured as the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined by reference to

the market yield at the balance sheet date on government bonds with currency and maturity dates consistent with those of the defined benefit plan.

- B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are presented in retained earnings.

3. Termination benefits

Termination benefits are benefits provided in exchange for the termination of an employee's employment before the normal retirement date or as a result of an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Group recognizes termination benefit expenses at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. Benefits that are not expected to be settled wholly within 12 months after the balance sheet date are discounted.

4. Employees' compensation

Employees' compensation is recognized as an expense and a liability when the Group has a legal or constructive obligation and the amount can be reasonably estimated. If the subsequently resolved actual distribution amount differs from the accrued amount, the difference is accounted for as a change in accounting estimate. If employees' compensation is distributed in the form of shares, the number of shares is calculated based on the closing price on the day preceding the date of the Board of Directors' resolution.

(XXIV) Employee share-based payments

Equity-settled share-based payment arrangements are measured at the fair value of the equity instruments granted on the grant date for the employee services received and are recognized as a compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments shall reflect the effects of market vesting conditions and non-vesting conditions. The compensation cost recognized is adjusted based on the number of awards expected to satisfy the service conditions and non-market vesting conditions, so that the amount ultimately recognized is based on the number of awards that vest at the vesting date.

(XXV) Income tax

1. Income tax expense comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the tax is recognized in other comprehensive income or directly in equity.
2. Current income tax is calculated using the tax rates enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable

income. Management periodically evaluates positions taken in income tax returns with respect to applicable tax laws and regulations and, where appropriate, recognizes provisions based on the amounts expected to be paid to the tax authorities. The additional income tax imposed on undistributed earnings under the Income Tax Act is recognized, in the year following the year in which the earnings are generated, after the shareholders' meeting approves the earnings distribution proposal, based on the actual distribution of earnings.

3. Deferred income tax is recognized using the balance sheet liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. Deferred income tax is also not recognized if it arises from the initial recognition of an asset or liability in a transaction other than a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss), nor does it give rise to equal taxable and deductible temporary differences. Deferred income tax on temporary differences arising from investments in subsidiaries is not recognized if the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is measured using the tax rates, and tax laws, enacted or substantively enacted at the balance sheet date and 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 current income tax liabilities are offset only when there is a legally enforceable right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously. Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and the deferred income tax assets and liabilities are levied by the same taxation authority on the same taxable entity, or on different taxable entities that intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.
6. Tax incentives arising from research and development expenditures are accounted for using the income tax credit method.

(XXVI) 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.

(XXVII) Dividends distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when such dividends are approved by the shareholders in a shareholders' meeting. Cash dividends are recognized as liabilities.

(XXVIII) Revenue recognition

1. Sales of goods

- (1) The Group manufactures and sells cement and building materials related products. Revenue from the sale of goods is recognized when control of the products has been transferred to the customer, that is, when the products are delivered to the customer, and the Group has no unfulfilled performance obligations that could affect the customer's acceptance of the products. Delivery occurs when the products have been transported to the specified location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract, or there is objective evidence that all acceptance criteria have been satisfied.
- (2) Accounts receivable are recognized when the products are delivered to the customer because, from that point in time, the Group has an unconditional right to the consideration under the contract, and only the passage of time is required before payment is due from the customer.
- (3) Financial component
The period between the transfer of the promised goods or services to the customer and payment by the customer under the contracts entered into between the Group and its customers does not exceed one year. Accordingly, the Group does not adjust the transaction price to reflect the time value of money.
- (4) The Group operates a customer loyalty program for its distribution customers. At the end of each year, reward points are granted to distribution customers based on the transaction amount for that year in accordance with the contracts. Distribution customers are entitled to redeem the reward points for a fixed percentage discount on future product purchases. The reward points provide customers with a material right that they would not receive without entering into the original transaction. Accordingly, the reward points granted to customers constitute a separate performance obligation. The transaction price is allocated to the products and the reward points based on their relative stand-alone selling prices. The stand-alone selling price of the reward points is

estimated based on the discount available to the customer and the likelihood of redemption based on past experience. The stand-alone selling price of the products is estimated based on the contract price. The transaction price allocated to the reward points is recognized as a contract liability until the customer redeems the points, or when the points expire, at which time it is recognized as revenue.

2. Construction contract revenue, service contract revenue and repair revenue
 - (1) For construction contracts and repairs, the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Accordingly, revenue is recognized over time as the performance obligation is satisfied over time. Repair revenue is recognized in full upon completion because the amount is not significant and the contract period is shorter than three months. If the contract period exceeds three months, it is still treated as construction contract revenue and recognized over the contract period based on the stage of completion using the percentage of completion method. Since labor service does not create assets for the Group for other purposes, and the Group has an enforceable right to the proceeds from performance completed so far, it is a type of revenue recognized as the performance obligation is gradually satisfied over time.
 - (2) The Group recognizes revenue from construction contracts, service contracts and repairs over the contract period using the percentage of completion method based on the stage of completion of the contract, and contract costs are recognized as expenses in the period in which they are incurred. The stage of completion is determined by reference to the percentage of contract costs incurred to date as of the end of the reporting period relative to the estimated total contract costs for each contract. When total contract costs are likely to exceed total contract revenue, the expected loss is recognized as an expense immediately. When the outcome of a construction contract cannot be measured reliably but the Group expects to recover the contract costs incurred in satisfying the performance obligation, revenue is recognized only to the extent of contract costs incurred until the outcome of the performance obligation can be measured reliably.
 - (3) Estimates of revenue, costs and stage of completion are revised as circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances giving rise to the revision become known to management.
 - (4) Contract terms relating to performance bonuses, penalties and claims that may cause changes in the total contract price are accounted for as variable consideration. Variable consideration is estimated using the method that better predicts the amount of consideration to which the Group will be entitled, and

is recognized only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

- (5) The Group's construction contracts include terms under which part of the contract consideration is payable only after project acceptance by the customer. Such retention receivables provide protection to the customer against the other party's failure to adequately perform some or all of its obligations under the contract, and therefore do not give rise to a significant financing component.
- (6) The gross amount due from customers for contract work, representing costs incurred plus recognized profits less recognized losses in excess of progress billings, is recognized as a contract asset. If progress billings exceed costs incurred plus recognized profits less recognized losses on contracts in progress, the excess is recognized as a contract liability.

(XXIX) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the Group will comply with the conditions attaching to the grants and that the grants will be received. Where the nature of a government grant is to compensate the Group for expenses incurred, it is recognized in profit or loss on a systematic basis over the periods in which the related expenses are recognized and is presented as a deduction from "manufacturing expenses" and "operating expenses."

(XXX) Operating segments

Operating segment information of the Group is reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources to the operating segments and assessing their performance. The Board of Directors has been identified as the Group's chief operating decision-maker.

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

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical estimates and assumptions concerning future events. Estimates and assumptions may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such estimates and assumptions 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 are addressed as follows:

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

None.

(II) Critical accounting estimates and assumptions

Revenue recognition

Construction contract revenue should be recognized by reference to the stage of completion in the contract period using the percentage of completion method. Contract costs are recognized in the incurred period. The stage of completion is determined by reference to the contract costs incurred to date and the proportion that contract costs incurred for work performed to date compared to the estimated total contract costs. 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 involve a high degree of estimation, such that it can cause major uncertainty.

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and revolving funds	\$ 260	\$ 260
Checking deposits	23,150	42,227
Demand deposits	62,103	84,685
Time deposits	50,727	351,136
Cash equivalents - Bonds under repurchase agreements	<u>244,923</u>	<u>427,486</u>
	<u>\$ 381,163</u>	<u>\$ 905,794</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group's restricted cash and cash equivalents as of December 31, 2025, and 2024, due to performance guarantees and collateral for short-term borrowing facilities, were NT\$251,264 and NT\$247,594, respectively. Of these amounts, NT\$159,322 and NT\$155,696 were classified as other financial assets – current (recognized in “other current assets”), and NT\$91,942 and NT\$91,898 were classified as other financial assets – non-current (recognized in “other non-current assets”). Please refer to Note 8.

(II) Notes and accounts receivable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 197,909	\$ 255,353
Notes Receivable – related party	8,415	52,121
	<u>\$ 206,324</u>	<u>\$ 307,474</u>
Accounts receivable	\$ 1,110,546	\$ 723,725
Less: Allowance for loss	(10,781)	(10,535)
Subtotal	1,099,765	713,190
Accounts receivable - related party	51,995	74,597
	<u>\$ 1,151,760</u>	<u>\$ 787,787</u>

1. The Company issues the invoice and bill of lading when taking the customer's order, debts accounts receivable and credits advance sales receipt (the "contract liability-current" account). When it receives notes issued by the customer, the amount is then transferred to notes receivable from accounts receivable. Based on demand quantity, the customer pick up the cement in batches, and the actual sales amount is then transferred from advance sales receipt to revenue. To prevent inflated assets and liabilities, the notes and accounts receivable and advance sales receipts related to undelivered cement are offset by each other and presented in net values. As of December 31, 2025 and 2024, the amounts were NT\$123,774, and NT\$92,525.
2. The aging analysis of accounts receivable (including related parties) and notes receivable (including related parties) is as follows:

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 1,148,678	\$ 206,324	\$ 786,347	\$ 307,474
Overdue				
Within 30 days	2,759	-	2,698	-
31-60 days	2,528	-	770	-
61-90 days	1,248	-	1,970	-
91 days and more	7,328	-	6,537	-
	<u>\$ 1,162,541</u>	<u>\$ 206,324</u>	<u>\$ 798,322</u>	<u>\$ 307,474</u>

The aging analysis was based on past due date.

3. The balances of notes and accounts receivable on December 31, 2025 and 2024 were all generated from contracts with customers. The balances of contractual notes receivable and accounts receivable are NT\$173,990 and NT\$1,117,559, respectively for January 1, 2024.

4. The Group's maximum exposure to credit risk, before consideration of associated collateral held and other credit enhancements, was NT\$206,324 and NT\$307,474 for notes receivable as of December 31, 2025 and 2024, respectively; and NT\$1,151,760 and NT\$787,787 for accounts receivable as of December 31, 2025 and 2024, respectively.

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

(III) Inventories

December 31, 2025			
	Cost	Allowance for valuation losses	Carrying amount
Materials and supplies	\$ 545,231	(\$ 2,700)	\$ 542,531
Work in process	153,212	-	153,212
Finished goods	134,395	(269)	134,126
Merchandise inventory	1,562	-	1,562
	<u>\$ 834,400</u>	<u>(\$ 2,969)</u>	<u>\$ 831,431</u>

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

Inventory cost recognized as expenses in the current period:

	2025	2024
Cost of inventories sold	\$ 4,271,195	\$ 4,204,570
Loss on market value decline of inventory	337	14
Unallocated manufacturing costs	-	5,129
Revenue from sales of scraps	(3,885)	(5,071)
	<u>\$ 4,267,647</u>	<u>\$ 4,204,642</u>

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

<u>Item</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Non-current items:		
Equity Instrument		
Shares of TWSE listed companies	\$ 690,007	\$ 690,007
Shares of the TPEx listed companies	<u>25,753</u>	<u>25,753</u>
	<u>715,760</u>	<u>715,760</u>
Adjustments for valuation		
Shares of TWSE listed companies	(150,099)	19,419
Shares of the TPEx listed companies	<u>(22,212)</u>	<u>(18,080)</u>
	<u>(172,311)</u>	<u>1,339</u>
Total	<u>\$ 543,449</u>	<u>\$ 717,099</u>

1. The Group elected to classify investments in shares of TWSE listed companies held for stable dividend income as financial assets at fair value through other comprehensive income. The fair values of such investments amounted to NT\$539,908 and NT\$709,426 as of December 31, 2025 and 2024, respectively.
2. The Group elected to classify the strategic investments in privately offered shares of TWSE listed companies as financial assets at fair value through other comprehensive income, amounting to NT\$3,541 and NT\$7,673, as of December 31, 2025 and 2024, respectively.
3. TPEx-listed company, OBI Pharma, Inc., increased its capital in cash in November 2024, and the Company subscribed for 13,828 shares in an amount of NT\$885.
4. OBI Pharma, Inc., a TPEx-listed company, resolved at its first special shareholders' meeting on October 20, 2025 to carry out a capital reduction to offset accumulated losses in the amount of \$1,315,797, representing a capital reduction ratio of 50%. The capital reduction record date was November 24, 2025, and the record date for the issuance of replacement shares was February 2, 2026.
5. Detail of the financial assets at fair value through other comprehensive income recognized under the profit (loss) and comprehensive income is as follows:

	<u>2025</u>	<u>2024</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Changes in fair value recognized as other comprehensive income	<u>(\$ 173,650)</u>	<u>\$ 78,015</u>
Dividend income recognized in profit and loss	<u>\$ 24,497</u>	<u>\$ 24,497</u>

6. The maximum exposure to credit risk for the Group's financial assets at fair value through other comprehensive income, before consideration of associated collateral held and other credit enhancements, was NT\$543,449 and NT\$717,099 as of December 31, 2025 and 2024, respectively.
7. For information on the price risk of financial assets at fair value through other comprehensive income, please refer to Note 12(2).

(V) Investments accounted for using equity method

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Associates:		
Teh Hsin Enterprise Co., Ltd. (Teh Hsin)	\$ <u>1,707,545</u>	\$ <u>1,576,964</u>

2. The share of profit or loss of associates recognized under the equity method for 2025 and 2024 is as follows:

	<u>2025</u>	<u>2024</u>
Associates:		
Teh Hsin	\$ <u>175,491</u>	\$ <u>12,616</u>

3. Associates

(1) The basic information of the Group's significant associates is as follows:

<u>Company name</u>	<u>Main business Place of business</u>	<u>Shareholding percentage</u>		<u>Nature of relationship</u>	<u>Measurement method</u>
		<u>December 31,</u>	<u>December 31,</u>		
		<u>2025</u>	<u>2024</u>		
Teh Hsin	Taiwan	35%	35%	Diversification	Equity method

- (2) The summarized financial information of the associates that are material to the Group are as follows:

Balance Sheets

	Teh Hsin	
	December 31, 2025	December 31, 2024
Current Assets	\$ 1,613,034	\$ 1,319,000
Non-current assets	959,320	652,051
Current liabilities	(447,495)	(218,577)
Non-current liabilities	(2,864)	(3,561)
Total net assets	<u>\$ 2,121,995</u>	<u>\$ 1,748,913</u>
Portion of the net assets of associates (Note)	<u>\$ 742,714</u>	<u>\$ 612,133</u>

Note: The difference from the carrying amount is primarily attributable to the fair value difference of non-current assets.

Statements of Comprehensive Income

	2025	2024
Income	<u>\$ 1,957,460</u>	<u>\$ 1,310,534</u>
Net income of current period	501,386	280,694
Other comprehensive income (Net of tax)	<u>-</u>	<u>-</u>
Total comprehensive income for this period	<u>\$ 501,386</u>	<u>\$ 280,694</u>
Dividends received from associates	<u>\$ 44,910</u>	<u>\$ -</u>

- (3) On September 20, 2024, the Board of Directors of the Company resolved to acquire equity interest in Teh Hsin. A share purchase agreement was entered into with a non-related party on September 26, 2024, for the purchase of 14,969,837 shares at NT\$104.5 per share, totaling NT\$1,564,348. The acquired shares represent a 35% equity interest. The share transfer registration was completed on November 15, 2024.
- (4) The Group holds a 35% equity interest in Teh Hsin and is its single largest shareholder. However, based on the past shareholders' meeting attendance records, it is evident that other shareholders actively participate in Teh Hsin's decision-making processes. Among the nine seats on Teh Hsin's Board of Directors, the Group holds only three. This indicates that the Group does not have the practical ability to direct the relevant activities of Teh Hsin. Accordingly, the Group has determined that it does not have control over Teh Hsin, but instead has significant influence.

- (5) For information regarding the pledged shares of investments accounted for under the equity method, please refer to Notes 6(13) and 8.
- (6) The investments accounted for using the equity method in Teh Hsin for 2025 and 2024 were valued based on financial statements audited by the independent auditor.

(VI) Property, plant, and equipment

2025

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets</u>	<u>Miscellaneous equipment</u>	<u>Unfinished construction and equipment pending for inspection</u>	<u>Total</u>
January 1									
Cost	\$1,535,961	\$1,500,468	\$2,350,658	\$ 13,969	\$ 18,328	\$ 2,279	\$ 84,821	\$ 51,967	\$ 5,558,451
Accumulated depreciation	-	(585,920)	(1,155,573)	(10,825)	(11,152)	(1,616)	(26,367)	-	(1,791,453)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$1,535,961</u>	<u>\$ 904,217</u>	<u>\$1,139,644</u>	<u>\$ 3,144</u>	<u>\$ 7,176</u>	<u>\$ 663</u>	<u>\$ 58,075</u>	<u>\$ 51,967</u>	<u>\$ 3,700,847</u>
January 1	\$1,535,961	\$ 904,217	\$1,139,644	\$ 3,144	\$ 7,176	\$ 663	\$ 58,075	\$ 51,967	\$ 3,700,847
Addition	129,216	3,895	61,514	-	2,565	122	7,972	236,770	442,054
Transfer for current period (Note)	-	55,804	148,961	-	-	-	5,137	(207,818)	2,084
Costs of disposal	-	-	(398)	-	(208)	-	-	-	(606)
Disposal of accumulated depreciation	-	-	398	-	208	-	-	-	606
Depreciation expense	-	(35,793)	(228,459)	(947)	(2,885)	(316)	(11,536)	-	(279,936)
December 31	<u>\$1,665,177</u>	<u>\$ 928,123</u>	<u>\$1,121,660</u>	<u>\$ 2,197</u>	<u>\$ 6,856</u>	<u>\$ 469</u>	<u>\$ 59,648</u>	<u>\$ 80,919</u>	<u>\$ 3,865,049</u>
December 31									
Cost	\$1,665,177	\$1,560,167	\$2,560,735	\$ 13,969	\$ 20,685	\$ 2,401	\$ 97,930	\$ 80,919	\$ 6,001,983
Accumulated depreciation	-	(621,713)	(1,383,634)	(11,772)	(13,829)	(1,932)	(37,903)	-	(2,070,783)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$1,665,177</u>	<u>\$ 928,123</u>	<u>\$1,121,660</u>	<u>\$ 2,197</u>	<u>\$ 6,856</u>	<u>\$ 469</u>	<u>\$ 59,648</u>	<u>\$ 80,919</u>	<u>\$ 3,865,049</u>

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

2024

	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Leased assets</u>	<u>Miscellaneous equipment</u>	<u>Unfinished construction and equipment pending for inspection</u>	<u>Total</u>
January 1									
Cost	\$1,535,961	\$1,477,660	\$2,071,138	\$ 13,969	\$ 16,278	\$ 2,279	\$ 66,997	\$ 209,720	\$5,394,002
Accumulated depreciation	-	(544,090)	(1,057,135)	(9,843)	(9,064)	(1,315)	(35,151)	-	(1,656,598)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$1,535,961</u>	<u>\$ 923,239</u>	<u>\$ 958,562</u>	<u>\$ 4,126</u>	<u>\$ 7,214</u>	<u>\$ 964</u>	<u>\$ 31,467</u>	<u>\$ 209,720</u>	<u>\$3,671,253</u>
January 1	\$1,535,961	\$ 923,239	\$ 958,562	\$ 4,126	\$ 7,214	\$ 964	\$ 31,467	\$ 209,720	\$3,671,253
Addition	-	5,359	62,353	-	2,647	-	17,787	194,415	282,561
Transfer for current period (Note)	-	17,748	318,498	-	-	-	18,298	(352,168)	2,376
Costs of disposal	-	(299)	(101,331)	-	(597)	-	(18,261)	-	(120,488)
Disposal of accumulated depreciation	-	258	101,331	-	597	-	18,261	-	120,447
Depreciation expense	-	(42,088)	(199,769)	(982)	(2,685)	(301)	(9,477)	-	(255,302)
December 31	<u>\$1,535,961</u>	<u>\$ 904,217</u>	<u>\$1,139,644</u>	<u>\$ 3,144</u>	<u>\$ 7,176</u>	<u>\$ 663</u>	<u>\$ 58,075</u>	<u>\$ 51,967</u>	<u>\$3,700,847</u>
December 31									
Cost	\$1,535,961	\$1,500,468	\$2,350,658	\$ 13,969	\$ 18,328	\$ 2,279	\$ 84,821	\$ 51,967	\$5,558,451
Accumulated depreciation	-	(585,920)	(1,155,573)	(10,825)	(11,152)	(1,616)	(26,367)	-	(1,791,453)
Accumulated impairment	-	(10,331)	(55,441)	-	-	-	(379)	-	(66,151)
	<u>\$1,535,961</u>	<u>\$ 904,217</u>	<u>\$1,139,644</u>	<u>\$ 3,144</u>	<u>\$ 7,176</u>	<u>\$ 663</u>	<u>\$ 58,075</u>	<u>\$ 51,967</u>	<u>\$3,700,847</u>

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

1. Details of the property, plant and equipment pledged to others as collateral are provided in Note 8.
2. Due to legal restrictions, part of the land of the Group is held in the name of another person and a mortgage is created to the Group. Please refer to Note 7 for details.
3. Due to its operational development plan, the board of directors of subsidiary Ruentex Interior Design approved the signing of a real estate purchase agreement with non-related parties in June 2025 for the acquisition of land and buildings located in the Chang'an Section, Zhongshan District, Taipei City, at a purchase price of NT\$96,780, with transaction costs amounting to NT\$2,149, totaling NT\$98,929. The payment was made, and the transfer of ownership and delivery of the property were completed on July 11, 2025.
4. Due to its operational development plan, the board of directors of subsidiary Ruentex Interior Design approved, on August 13, 2025, the signing of a real estate purchase agreement with non-related parties for the acquisition of land and buildings located in the Chang'an Section, Zhongshan District, Taipei City, at a purchase price of NT\$31,500. The transaction costs were NT\$71, totaling NT\$31,571. The payment was made, and the transfer of ownership and delivery of the property were completed on September 19, 2025.
5. Due to its operational development plan, the board of directors of subsidiary Ruentex Interior Design approved on November 7, 2025, the signing of a real estate purchase agreement with non-related parties for the acquisition of land and buildings located in the Chang'an Section, Zhongshan District, Taipei City, at a purchase price of NT\$128,000. As of December 31, 2025, an amount of NT\$100,480 had been paid in accordance with the contract, and transaction costs amounted to NT\$173, totaling NT\$100,653 (recognized in "other non-current assets").

(VII) Lease transactions - lessees

1. The underlying assets leased by the Group are the offices, land for mining use, parking spaces and company vehicles, and the term of lease is between 2020 and 2030. The lease contracts are negotiated individually, with different terms and conditions. The leased assets are neither to be used as collaterals for loans, nor the rights to be transferred to others in the form of business transfer or merger, among other forms.
2. The lease period for the employee dormitories, warehouse and exhibition center leased by the Group is less than 12 months.
3. Information on the carrying amount of the right-of-use assets and the recognized depreciation expenses is as follows:

2025				
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 22,165	\$ 63,202	\$ 752	\$ 86,119
Accumulated depreciation	(3,335)	(45,571)	(376)	(49,282)
	<u>\$ 18,830</u>	<u>\$ 17,631</u>	<u>\$ 376</u>	<u>\$ 36,837</u>
January 1	\$ 18,830	\$ 17,631	\$ 376	\$ 36,837
Addition-Newly added lease contracts	658	-	1,947	2,605
Cost of derecognition	(662)	-	-(	662)
Accumulated depreciation on the de-booking date	662	-	-	662
Lease contract modifications - costs	-	-	(752)	(752)
Lease contract modifications - accumulated depreciation	-	-	460	460
Depreciation expense	(5,505)	(13,189)	(327)	(19,021)
December 31	<u>\$ 13,983</u>	<u>\$ 4,442</u>	<u>\$ 1,704</u>	<u>\$ 20,129</u>
December 31				
Cost	\$ 22,161	\$ 63,202	\$ 1,947	\$ 87,310
Accumulated depreciation	(8,178)	(58,760)	(243)	(67,181)
	<u>\$ 13,983</u>	<u>\$ 4,442</u>	<u>\$ 1,704</u>	<u>\$ 20,129</u>
2024				
	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
January 1				
Cost	\$ 7,265	\$ 63,145	\$ 752	\$ 71,162
Accumulated depreciation	(6,306)	(32,880)	(125)	(39,311)
	<u>\$ 959</u>	<u>\$ 30,265</u>	<u>\$ 627</u>	<u>\$ 31,851</u>
January 1	\$ 959	\$ 30,265	\$ 627	\$ 31,851
Addition-Newly added lease contracts	21,454	543	-	21,997
Cost of derecognition	(16,400)	(486)	-	(16,886)
Accumulated depreciation on the de-booking date	16,400	486	-	16,886
Revaluation of lease liabilities	9,846	-	-	9,846
Depreciation expense	(13,429)	(13,177)	(251)	(26,857)
December 31	<u>\$ 18,830</u>	<u>\$ 17,631</u>	<u>\$ 376</u>	<u>\$ 36,837</u>
December 31				
Cost	\$ 22,165	\$ 63,202	\$ 752	\$ 86,119
Accumulated depreciation	(3,335)	(45,571)	(376)	(49,282)
	<u>\$ 18,830</u>	<u>\$ 17,631</u>	<u>\$ 376</u>	<u>\$ 36,837</u>

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total amount of lease liabilities	\$ 28,634	\$ 39,939
Less: Due within one year (listed as lease liabilities - current)	(21,648)	(24,440)
	<u>\$ 6,986</u>	<u>\$ 15,499</u>

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

	<u>2025</u>	<u>2024</u>
<u>Items affects the income of the current period</u>		
Interest expenses of lease liabilities	\$ 387	\$ 418
Expenses of short-term lease contracts	\$ 3,388	\$ 3,265
Gains on lease modifications	(\$ 5)	\$ -

6. The total cash outflow for the lease of the Group for the years ended on December 31, 2025 and 2024, was NT\$17,388 and NT\$33,734, respectively.
7. Yilan Luodong Business Area No. 70, 71, 73--75, 80, 82--85, and Nan'ao Business Area No. 27 and 28 were leased by the Company for mineral field use. As said leases expired on June 18, 2020. The Company applied to the competent authorities for the renewal of the leases of the ancillary facilities of the mining land, and the process was completed in January 2023. In addition, according to the letter from the Yilan Branch of the Forestry and Conservation Administration, Ministry of Agriculture, in March 2024, the rent of the mining land was calculated based on the approved market value of forest land and included in the ecological damage compensation. The Company re-assessed the said lease liability and recognized right-of-use assets of NT\$9,846 and lease liabilities of NT\$9,846. The above lease expires on June 18, 2024. The Company has applied to the competent authority for a lease extension through June 18, 2028, and has recognized a right-of-use asset of NT\$21,454 and a lease liability of NT\$21,454 accordingly.

(VIII) Intangible Assets

2025

	<u>Mineral source</u>	<u>Trademark, patent rights and service concession</u>	<u>Others</u>	<u>Total</u>
January 1				
Cost	\$ 234,798	\$ 30,000	\$ 116,991	\$ 381,789
Accumulated amortization	(60,416)	(30,000)	(53,355)	(143,771)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 52,396</u>	<u>\$ 164,806</u>
January 1	\$ 112,410	\$ -	\$ 52,396	\$ 164,806
Addition	-	-	1,723	1,723
Cost of derecognition	-	-	(39)	(39)
Accumulated amortization on the derecognition date	-	-	39	39
Amortization	-	-	(1,136)	(1,136)
Impairment loss	(112,410)	-	-	(112,410)
December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,983</u>	<u>\$ 52,983</u>
December 31				
Cost	\$ 234,798	\$ 30,000	\$ 118,675	\$ 383,473
Accumulated amortization	(60,416)	(30,000)	(54,452)	(144,868)
Accumulated impairment	(174,382)	-	(11,240)	(185,622)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,983</u>	<u>\$ 52,983</u>

2024

	<u>Mineral source</u>	<u>Trademark, patent rights and service concession</u>	<u>Others</u>	<u>Total</u>
January 1				
Cost	\$ 234,798	\$ 30,000	\$ 118,848	\$ 383,646
Accumulated amortization	(60,416)	(30,000)	(49,744)	(140,160)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 57,864</u>	<u>\$ 170,274</u>
January 1	\$ 112,410	\$ -	\$ 57,864	\$ 170,274
Addition	-	-	935	935
Cost of derecognition	-	-	(2,792)	(2,792)
Accumulated amortization on the derecognition date	-	-	2,792	2,792
Amortization	-	-	(6,403)	(6,403)
December 31	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 52,396</u>	<u>\$ 164,806</u>
December 31				
Cost	\$ 234,798	\$ 30,000	\$ 116,991	\$ 381,789
Accumulated amortization	(60,416)	(30,000)	(53,355)	(143,771)
Accumulated impairment	(61,972)	-	(11,240)	(73,212)
	<u>\$ 112,410</u>	<u>\$ -</u>	<u>\$ 52,396</u>	<u>\$ 164,806</u>

Details of amortization of intangible assets are as follows:

	<u>2025</u>	<u>2024</u>
Operation cost	\$ 788	\$ 6,080
Operating Expenses	<u>348</u>	<u>323</u>
	<u>\$ 1,136</u>	<u>\$ 6,403</u>

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

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

However, to ensure the equity and efficiency of the Company’s assets, if the mining land for the legally held mineral resources can be expanded and mining can continue, 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. However, the administrative lawsuit was dismissed on February 29, 2024 by the Taipei High Administrative Court in 2021 Su-Zi No. 1062, and the Company filed an appeal with the Supreme Administrative Court in March 2024. However, the appeal was dismissed on

December 18, 2025 by the Supreme Administrative Court in 2024 Shang-Zi No. 240. As the Company has already recognized an impairment loss, the result of this judgment has no material impact on the Company's financial position or operations. The Company will continue to review the relevant laws and regulations and assess the feasibility of filing a separate application.

2. The mining right for the Hualien Huahsin Mine expired on July 1, 2025. An application for an extension of the mining right was filed in June 2024 and is currently under review. As for the expansion application, the proposed mining and transportation method involved passing through another entity's road. However, because consent to pass through the adjacent mines was not obtained, the Company took the initiative to withdraw the application and will file a new application after re-planning. As of March 13, 2026, the relevant planning is still in progress, and the application procedure has not yet been completed.

Due to factors such as the legal environment, environmental protection and industrial policies, and the high degree of uncertainty in the review and approval process, there have been significant adverse changes affecting the Company's assets. In accordance with IAS 36, such circumstances constitute indicators of impairment of the Company's assets. After evaluation, the Company recognized an impairment loss in December 2025 on the intangible assets related to the aforementioned Hualien Huaxin Stone Mine mining area in the amount of \$112,410 and on refundable deposits (presented under other non-current assets) in the amount of \$20,000, for a total of \$132,410. The aforementioned impairment loss was attributable to the Cement Business Division. The Company will continue to proceed with the aforementioned mining right extension and expansion applications in order to safeguard its asset interests and ensure the effective use of its assets.

(IX) Impairment of non-financial assets

1. The impairment loss recognized by the Group for the year ended December 31, 2025 amounted to NT\$112,410, details of which are as follows:

	<u>2025</u>
	<u>Recognized in profit or loss for the current period</u>
Impairment loss – intangible assets	
Mineral source	<u>\$ 112,410</u>

2. Details of the aforementioned impairment loss disclosed by segment are as follows:

	<u>2025</u>
	<u>Recognized in profit or loss for the current period</u>
Cement Business Department	<u>\$ 112,410</u>

3. For the description of the aforementioned impairment loss recognized, please refer to Note 6(8).

(X) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Credit bank loan	<u>\$ 1,700,000</u>	<u>\$ 1,200,000</u>
Interest rate collars	1.905%~1.95%	1.90%~1.95%

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee notes	<u>\$ 2,950,000</u>	<u>\$ 1,950,000</u>

(XI) Short-term bills payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Commercial papers payable	<u>\$ 410,000</u>	<u>\$ 410,000</u>
Less: Unamortized discount	<u>(102)</u>	<u>(178)</u>
	<u>\$ 409,898</u>	<u>\$ 409,822</u>
Interest rate collars	1.57%~1.82%	1.62%~1.82%

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee notes	<u>\$ 750,000</u>	<u>\$ 800,000</u>

(XII) Other payables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Salary and wages payable	\$ 159,248	\$ 165,966
Electricity bill payable	34,648	38,683
Commodity tax payable	14,132	16,353
Payables for equipment	4,328	24,684
Business tax payable	-	3,900
Other Payable	38,033	38,999
	<u>\$ 250,389</u>	<u>\$ 288,585</u>

(XIII) Long-term borrowings

<u>Nature of loan</u>	<u>Loan period and borrowing method</u>	<u>Interest rate collars</u>	<u>Guarantee</u>	<u>December 31, 2025</u>
Long-term bank loan				
Secured loan	From November 1, 2024, to November 1, 2027, monthly payment of interest, re-payment on maturity.	1.865% ~2.00%	Note	\$ 2,760,000
Credit Loan	From December 17, 2025, to June 17, 2027, monthly payment of interest, re-payment on maturity.	1.95%	Note	
				<u>300,000</u>
				<u>\$ 3,060,000</u>

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

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Guarantee notes	<u>\$ 3,080,000</u>	<u>\$ 2,880,000</u>

The Company entered into a credit facility agreement with E.SUN Bank in November 2024 to support the Company's working capital and investment needs. Facility 1 is a medium-term loan with a credit period from November 2024 to October 2026. Facility 2 is a short-term loan with a credit period from November 2024 to October 2025. Facility 1 and Facility 2 share a combined credit limit of NT\$400,000. Facility 3 is a medium-term loan with a credit period from November 2024 to November 2027 and a credit limit of NT\$780,000. The collateral for this facility is the Company's equity-method investment in shares, and the share pledge must be completed within three months after the initial drawdown. The share pledge was completed in January 2025. As of December 31, 2025, borrowings under the medium-term loan facilities amounted to NT\$780,000. The main covenants are as follows:

During the term of the credit facility, the following financial ratios must be maintained and reviewed semi-annually. If the requirements are not met, the interest rate shall be increased by 25 basis points:

- a. The current ratio shall not be less than 60%.
- b. The debt ratio shall not exceed 400%.

The above financial ratios are calculated based on the consolidated financial statements audited or reviewed by the certified public accountant.

(XIV) Pensions

1. (1) In accordance with the Labor Standards Act, the Group has established a defined benefit plan. This plan applies to the years of service rendered by all formal employees prior to the implementation of the Labor Pension Act on July 1, 2005, and to the subsequent service years of employees who elected to continue under the Labor Standards Act after its implementation. It also applies to all employed foreign mid-level skilled workers. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes an amount equal to 2% of the employees' monthly salaries and wages each month to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. In addition, the Group assesses the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, the Group

will make contributions to employees expected to be qualified for retirement next year to cover the deficit by next March.

(2) Amounts recognized in the balance sheet are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	(\$ 20,197)	(\$ 18,806)
Fair value of plan assets	<u>13,426</u>	<u>11,939</u>
Net defined benefit liability (recognized in "other non-current liabilities")	<u>(\$ 6,771)</u>	<u>(\$ 6,867)</u>

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

	<u>2025</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
Balance at January 1	(\$ 18,806)	\$ 11,939	(\$ 6,867)
Interest (expense) income	(285)	176	(109)
	<u>(19,091)</u>	<u>12,115</u>	<u>(6,976)</u>
Remeasurements:			
Return on plan assets, excluding amounts included in interest income or expense	-	798	798
Effect of change in financial assumptions	(359)	-	(359)
Experience adjustments	(747)	-	(747)
	<u>(1,106)</u>	<u>798</u>	<u>(308)</u>
Pension fund contributions	-	513	513
Balance at December 31	<u>(\$ 20,197)</u>	<u>\$ 13,426</u>	<u>(\$ 6,771)</u>

	<u>2024</u>		
	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liabilities</u>
Balance at January 1	(\$ 19,136)	\$ 8,219	(\$ 10,917)
Interest (expense) income	(226)	96	(130)
	<u>(19,362)</u>	<u>8,315</u>	<u>(11,047)</u>
Remeasurements:			
Return on plan assets, excluding amounts included in interest income or expense	-	748	748
Effect of change in financial assumptions	577	-	577
Experience adjustments	(21)	-	(21)
	<u>556</u>	<u>748</u>	<u>1,304</u>
Pension fund contributions	-	2,876	2,876
Balance at December 31	<u>(\$ 18,806)</u>	<u>\$ 11,939</u>	<u>(\$ 6,867)</u>

(4) The plan assets of Ruentex Interior Design Inc.'s defined benefit pension plan are managed by the Bank of Taiwan within the scope of the proportions and amounts set forth in the annual investment and utilization plan for the fund and in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and

Utilization of the Labor Retirement Fund, which include deposits with domestic and foreign financial institutions, investments in domestic and foreign listed, TPEX-listed or privately placed equity securities, and investments in securitized real estate products in domestic and foreign markets. The relevant utilization of the fund is supervised by the Labor Pension Fund Supervisory Committee. The minimum annual distribution of returns from the fund shall not be lower than the return calculated based on the interest rate of a two-year time deposit with a local bank. If the return is insufficient, the shortfall shall, upon approval by the competent authority, be made up by the national treasury. As Ruentex Interior Design Inc. has no right to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of IAS 19. For the fair value of the total assets comprising the fund as of December 31, 2025 and 2024, please refer to the annual labor retirement fund utilization reports announced by the government.

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

	<u>2025</u>	<u>2024</u>
Discount rate	1.35%	1.60%
Future salary increase in percent	3.00%	3.00%

The future mortality rates in 2025 and 2024 were both estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

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

	<u>Discount rate</u>		<u>Future salary increase in percent</u>	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
December 31, 2025				
Effects on the present value of a defined benefit obligation	<u>(\$ 359)</u>	<u>\$ 370</u>	<u>\$ 363</u>	<u>(\$ 355)</u>
December 31, 2024				
Effects on the present value of a defined benefit obligation	<u>(\$ 347)</u>	<u>\$ 357</u>	<u>\$ 351</u>	<u>(\$ 343)</u>

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

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

- (6) Expected contributions to the defined benefit pension plans of Ruentex Interior Design for the year ending December 31, 2026 amounts to NT\$178.
- (7) As of December 31, 2025, the weighted average duration of that retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Less than 1 year	\$	3,994
1- 2 years		484
2- 5 years		2,202
More than 5 year		15,599
	<u>\$</u>	<u>22,279</u>

- (8) For the years ended December 31, 2025 and 2024, the pension costs recognized by the Group under the aforementioned pension plan were NT\$157 and NT\$145, respectively.
2. (1) The Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment..
- (2) For the years ended December 31, 2025 and 2024, the pension costs recognized by the Group under the aforementioned pension plan were NT\$18,819 and NT\$17,763, respectively.

(XV) Provisions

	2025			2024	
	<u>Warranty provision</u>	<u>Carbon fee</u>	<u>Total</u>	<u>Warranty provision</u>	
January 1	\$ 12,639	\$ -	\$ 12,639	\$ 11,329	
Provisions recognized for the current period	2,062	11,417	13,479	4,232	
Provisions utilized during the current period	(786)	-	(786)	(1,569)	
Unused amounts reversed for the current period	(2,922)	-	(2,922)	(1,353)	
December 31	<u>\$ 10,993</u>	<u>\$ 11,417</u>	<u>\$ 22,410</u>	<u>\$ 12,639</u>	

An analysis of provisions is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
current	\$ 15,819	\$ 3,944
non-current	<u>6,591</u>	<u>8,695</u>
	<u>\$ 22,410</u>	<u>\$ 12,639</u>

1. Warranty provision

The Group's provision for warranty mainly arises from interior decoration projects and is estimated based on the contract amount of each project.

2. Carbon fee

The Company has received approval from the competent authority for its voluntary emissions reduction plan and to be designated as a high carbon leakage risk industry. It is also highly likely to meet the 2025 targets and is expected to submit the 2025 progress report on its voluntary emissions reduction plan by the end of April 2026. Accordingly, the carbon fee liability provision is calculated based on the preferential carbon fee rate applicable to entities with approved reduction plans, and adjusted using the emission adjustment coefficient for high carbon leakage risk industries, in accordance with regulations.

(XVI) Share-based payment

1. As of December 31, 2024, the share-based payment agreement of subsidiary Ruentex Interior Design is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Quantity granted (share)</u>	<u>Contract volume</u>	<u>Vesting conditions</u>
Shares retained from cash capital increase for employee subscription	May 7, 2024	225,000	NA	Immediate vesting

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

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

	<u>2024</u>	
	<u>Number of stock options (shares)</u>	<u>Strike price (NT\$)</u>
Outstanding stock options on January 1	-	\$ -
Stock options granted in this period	225,000	165
Stock options exercised in this period	<u>(225,000)</u>	165
Outstanding stock options on December 31	<u>-</u>	-

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

relevant information is as follows:

<u>Type of agreement</u>	<u>Grant date</u>	<u>Fair value per share of options (NTD)</u>	<u>Expected price volatility</u>	<u>Expected duration (years)</u>	<u>Expected dividend rate</u>	<u>Strike price (NT\$)</u>	<u>Risk-free rate</u>	<u>Fair value per share of stock options (NT\$)</u>
Shares retained from cash capital increase for employee subscription	May 7, 2024	\$171.73	34.43%	0.02	0.00%	\$ 1651.22	2.22%	\$ 7.7106
Employee stock options								

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

	<u>2024</u>
Equity settled	<u>\$ 1,735</u>

(XVII) Capital

1. The number of shares outstanding as of December 31, 2025 and 2024 was 150,000 thousand shares, with no change during the years ended December 31, 2025 and 2024.
2. As of December 31, 2025, 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 were issued as ordinary shares. All proceeds from shares issued have been collected.

(XVIII) Capital surplus

1. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.
2. Regarding capital surplus – changes in the ownership interests of subsidiaries as recognized, please refer to Note 6(30).

(XIX) Retained earnings

1. Under the Articles of Incorporation of the Company, the earnings, if any, shall be distributed after close of the year as follows:
 - (1) First pay income tax.
 - (2) Make up loss accumulated in previous year, if any.

- (3) Amortize 10% as legal reserve unless the accumulated legal reserve is up to the total paid-in capital of the Company.
 - (4) Amortize or rotate special reserve as required by law or the competent authority.
 - (5) For the balance after deduction of the sums under the preceding Paragraphs (1)-(4), the Board of Directors shall propose the allocation to be duly allocated after being submitted and resolved in the shareholders' meeting.
2. The Company's dividend payout policy is based on the Company Act and the Company's Articles of Incorporation, which allow the Company to consider the financial, business, operational and capital budgeting factors, while taking into account shareholders' interests, balanced dividends, and the Company's long-term financial planning. A distribution plan by the Board shall be submitted to the shareholders' meeting. However, keeping within the available surplus for distribution, the dividends to shareholders shall be no less than 50 percent of the balance amount derived from taking the after-tax profit of the current year less the profit set aside as legal reserve and special reserve, the cash dividend ratio shall not be less than 30 percent of the total dividend distribution for the year.
 3. Except for covering accumulated deficit or issuing new stocks or cash to shareholder in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
 4. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
 5. The Company's earning distribution plan for the year ended December 31, 2024 approved by the shareholders' meeting on May 16, 2025 is as follows:

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

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

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

7. The Company's earning distribution plan for the year ended December 31, 2025 approved by the board of directors' meeting on March 13, 2026 is as follows:

	2025	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve	\$ 27,789	
Special reserve	141,393	
Cash dividends	<u>120,000</u>	\$ 0.80
Total	<u>\$ 289,182</u>	

(XX) Operating Revenue

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers:		
Revenue from sales of goods	\$ 4,604,420	\$ 4,514,059
Revenue from construction contracts	2,524,410	2,052,379
Other revenue from contracts	<u>92,850</u>	<u>101,266</u>
	<u>\$ 7,221,680</u>	<u>\$ 6,667,704</u>

1. Detail of customer contract income

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

<u>2025</u>	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
Departmental revenue	\$ 1,958,190	\$ 2,747,390	\$ 2,524,740	\$ 7,230,320
Revenue from internal department transactions	-	(8,310)	(330)	(8,640)
Revenue from contracts with external customers	<u>\$ 1,958,190</u>	<u>\$ 2,739,080</u>	<u>\$ 2,524,410</u>	<u>\$ 7,221,680</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 1,865,340	\$ 2,739,080	\$ -	\$ 4,604,420
Revenue recognized over time	<u>92,850</u>	<u>-</u>	<u>2,524,410</u>	<u>2,617,260</u>
	<u>\$ 1,958,190</u>	<u>\$ 2,739,080</u>	<u>\$ 2,524,410</u>	<u>\$ 7,221,680</u>

<u>2024</u>	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
Departmental revenue	\$ 2,184,861	\$ 2,439,656	\$ 2,054,523	\$ 6,679,040
Revenue from internal department transactions	-	(9,192)	(2,144)	(11,336)
Revenue from contracts with external customers	<u>\$ 2,184,861</u>	<u>\$ 2,430,464</u>	<u>\$ 2,052,379</u>	<u>\$ 6,667,704</u>
Timing of revenue recognition				
Revenue recognized at a point in time	\$ 2,083,595	\$ 2,430,464	\$ -	\$ 4,514,059
Revenue recognized over time	<u>101,266</u>	<u>-</u>	<u>2,052,379</u>	<u>2,153,645</u>
	<u>\$ 2,184,861</u>	<u>\$ 2,430,464</u>	<u>\$ 2,052,379</u>	<u>\$ 6,667,704</u>

2. As of December 31, 2025 and 2024 for the signed construction contracts, the aggregated amounts of the transaction amount allocated to the unsatisfied contract performance, and the estimated recognition years are as the following:

<u>Year</u>	<u>Year of the estimated recognized revenues</u>	<u>Amounts of the signed contracts</u>
2025	2026 - 2029	<u>\$ 1,444,904</u>
2024	2025 - 2026	<u>\$ 2,258,395</u>

3. Contract assets and contract liabilities

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Contract asset:			
Contract asset - Retainable receivable (including related parties)	\$ 105,026	\$ 54,019	\$ 13,150
Contract asset - Construction contract (including related parties)	<u>668,972</u>	<u>696,620</u>	<u>364,587</u>
Total	<u>\$ 773,998</u>	<u>\$ 750,639</u>	<u>\$ 377,737</u>
Contract liability:			
Contract liability - Sales contract for goods	\$ 31,408	\$ 32,533	\$ 23,527
Contract liabilities - Construction contract (including related parties)	<u>24,410</u>	<u>61,879</u>	<u>26,825</u>
Total	<u>\$ 55,818</u>	<u>\$ 94,412</u>	<u>\$ 50,352</u>

4. The contract assets/contract liabilities recognized in the aforementioned construction contracts on December 31, 2025, December 31, 2024 and January 31, 2024 are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Total costs incurred plus profits recognized	\$ 3,838,884	\$ 2,131,744	\$ 1,552,369
Less: Amount requested for progress of works	<u>(3,194,322)</u>	<u>(1,497,003)</u>	<u>(1,214,607)</u>
Status of net assets and liabilities of contracts	<u>\$ 644,562</u>	<u>\$ 634,741</u>	<u>\$ 337,762</u>

5. For information on the credit risk of related contract assets, please refer to Note 12(2).

(XXI) Operation cost

	<u>2025</u>	<u>2024</u>
Cost of sales of goods	\$ 4,267,647	\$ 4,204,642
Cost of construction contract	2,028,184	1,634,233
Other costs from contracts	<u>4,524</u>	<u>6,234</u>
	<u>\$ 6,300,355</u>	<u>\$ 5,845,109</u>

(XXII) Interest revenue

	<u>2025</u>	<u>2024</u>
Interest on cash in banks	\$ 10,685	\$ 7,932
Interest income from the financial assets measured at amortized costs	<u>803</u>	<u>662</u>
	<u>\$ 11,488</u>	<u>\$ 8,594</u>

(XXIII) Other income

	<u>2025</u>	<u>2024</u>
Dividend income	\$ 24,497	\$ 24,497
Reclassification of provision to other income	2,922	1,353
Rent income	1,124	1,116
Gain on write-off of overdue payables	766	465
Reclassification of other payables to other income	39	89
Other income	<u>1,761</u>	<u>42</u>
	<u>\$ 31,109</u>	<u>\$ 27,562</u>

(XXIV) Other gains and losses

	<u>2025</u>	<u>2024</u>
Gain (loss) on foreign currency valuation	(\$ 5)	\$ 88
Loss on disposal of property, plant and equipment	-	(41)
Impairment loss on intangible assets	(112,410)	-
Impairment loss on other financial assets	(20,000)	-
Gains on lease modifications	5	-
Others	<u>(954)</u>	<u>(825)</u>
	<u>(\$ 133,364)</u>	<u>(\$ 778)</u>

For details of the aforementioned impairment loss, please refer to Note 6(8).

(XXV) Financial Costs

	<u>2025</u>	<u>2024</u>
Interest expense:		
Bank loan	\$ 95,771	\$ 68,646
Lease liabilities	<u>387</u>	<u>418</u>
	<u>\$ 96,158</u>	<u>\$ 69,064</u>

(XXVI) Additional information of expenses by nature

	<u>2025</u>	<u>2024</u>
Changes in products, finished goods, and works-in-process, and raw materials and supplies consumed	\$ 2,456,988	\$ 2,554,994
Contract work	1,981,388	1,596,890
Employee benefit expense	622,039	590,352
Depreciation expenses for property, plant and equipment	279,936	255,302
Depreciation expenses for right-of-use assets	19,021	26,857
Depreciation and amortization expenses of intangible assets	1,136	6,403
Other expense	<u>1,310,882</u>	<u>1,203,420</u>
Operating costs and expenses	<u>\$ 6,671,390</u>	<u>\$ 6,234,218</u>

(XXVII) Employee benefit expense

	<u>2025</u>	<u>2024</u>
Wages and salaries	\$ 513,276	\$ 490,805
Labor and Health Insurance costs	46,955	39,839
Pension expense	18,976	17,908
Directors' Remuneration	6,303	6,063
Compensation cost of employee stock options	-	1,735
Other employment fees	<u>36,529</u>	<u>34,002</u>
	<u>\$ 622,039</u>	<u>\$ 590,352</u>

1. According to the Articles of Incorporation, the Company shall appropriate at least 1% of the remainder of the profit for the year as profit sharing remuneration for employees after deducting the accumulated losses from the profit for the current year. None will be distributed for director remuneration. The shareholders meeting on May 16, 2025 has approved the amendment of the Articles of Incorporation, of which, the total amount of the remuneration allocated to junior staff must not be lower than 50% of the total remuneration for employees.
2. (1) The estimated amounts of employees' compensation for the years ended December 31, 2025 and 2024 were NT\$2,713 and NT\$2,092, respectively. The aforementioned amounts were recognized as salary expenses.
(2) Employees' compensation was estimated and accrued based on 1% of distributable profit of the current year for the year ended December 31, 2025. The employees'

compensation resolved by the Board of Directors on March 13, 2026 was NT\$2,713, which will be paid in form of cash.

- (3) As resolved by the Board of Directors on March 12, 2025, the remuneration to employees for 2024 is consistent with the remuneration to employees of NT\$2,092 recognized in the 2024 financial statements. Employees' compensation for 2024 was paid in cash and was fully distributed in February 2026.
- (4) Information about employees' compensation of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXVIII) Income tax

1. Income tax expense

(1) Components of income tax expense:

	<u>2025</u>	<u>2024</u>
Current income tax:		
Income tax occurred in the current period	\$ 90,786	\$ 74,209
Extra imposed on undistributed earnings	2	-
Underestimate (Overestimate) of income tax for prior years	(3,344)	214
Total income tax for current period	<u>87,444</u>	<u>74,423</u>
Deferred income tax:		
Origination and reversal of temporary differences	(25,570)	(421)
Total deferred income tax	(25,570)	(421)
Income tax expense	<u>\$ 61,874</u>	<u>\$ 74,002</u>

- (2) The income tax direct credit (debit) relating to components of other comprehensive income is as follows:

	<u>2025</u>	<u>2024</u>
Re-measurement of defined benefit plans	\$ 62	(\$ 261)
Changes in fair value through other comprehensive income	<u>4,858</u>	<u>(1,963)</u>
	<u>\$ 4,920</u>	<u>(\$ 2,224)</u>

2. Reconciliation between income tax expense and accounting profit

	2025	2024
Income tax calculated based on profit before tax and the statutory tax rate	\$ 107,771	\$ 82,483
Expenses to be excluded as stipulated in the tax law	271	75
Income exempt from tax as stipulated in the tax law	(39,997)	(7,422)
Income tax effect of investment tax credits	-	(1,348)
Changes in assessment of realizability of deferred income tax assets	(2,829)	-
Underestimate (Overestimate) of income tax for prior years	(3,344)	214
Extra imposed on undistributed earnings	2	-
Income tax expense	<u>\$ 61,874</u>	<u>\$ 74,002</u>

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

	2025			
	January 1	Recognized in profit and loss	Recognized in other comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Allowance for inventory valuation losses	\$ 526	\$ 67	\$ -	\$ 593
Allowance for doubtful accounts in excess of tax limit	-	395	-	395
Unrealized sales discount	4,740	(184)	-	4,556
Unrealized impairment loss	24,267	25,683	-	49,950
Actuarial gains and losses on pensions	331	-	62	393
Excess pension expense	1,043	(81)	-	962
Warranty provision	<u>1,557</u>	<u>(311)</u>	<u>-</u>	<u>1,246</u>
	<u>32,464</u>	<u>25,569</u>	<u>62</u>	<u>58,095</u>
Deferred income tax liabilities:				
- Temporary differences:				
Unrealized gain on financial assets	(5,379)	-	4,858	(521)
Unrealized foreign exchange gain	<u>(38)</u>	<u>1</u>	<u>-(37)</u>	<u>(37)</u>
	<u>(5,417)</u>	<u>1</u>	<u>4,858</u>	<u>(558)</u>
	<u>\$ 27,047</u>	<u>\$ 25,570</u>	<u>\$ 4,920</u>	<u>\$ 57,537</u>

2024				
	<u>January 1</u>	<u>Recognized in profit and loss</u>	<u>Recognized in other comprehensive income</u>	<u>December 31</u>
Deferred income tax assets:				
- Temporary differences:				
Allowance for inventory valuation losses	\$ 523	\$ 3	\$ -	\$ 526
Unrealized sales discount	3,105	1,635	-	4,740
Unrealized impairment loss	25,193	(926)	-	24,267
Actuarial gains and losses on pensions	592	-	(261)	331
Excess pension expense	1,592	(549)	-	1,043
Warranty provision	<u>1,281</u>	<u>276</u>	<u>-</u>	<u>1,557</u>
	<u>32,286</u>	<u>439</u>	<u>(261)</u>	<u>32,464</u>
Deferred income tax liabilities:				
- Temporary differences:				
Unrealized gain on financial assets	(3,416)	-	(1,963)	(5,379)
Unrealized foreign exchange gain	<u>(20)</u>	<u>(18)</u>	<u>-</u>	<u>(38)</u>
	<u>(3,436)</u>	<u>(18)</u>	<u>(1,963)</u>	<u>(5,417)</u>
	<u>\$ 28,850</u>	<u>\$ 421</u>	<u>(\$ 2,224)</u>	<u>\$ 27,047</u>

4. The Company's income tax returns through 2023 have been assessed as approved by the Tax Authority.

(XXIX) Earnings per share

	2025		
	<u>Number of shares outstanding</u>		<u>Earnings per share</u>
	<u>After-tax amount(Thousand shares) at the end of the period</u>		<u>(NTD)</u>
<u>Basic earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 277,969	150,000	\$ 1.85
<u>Diluted earnings per share</u>			
Net income attributable to ordinary shareholders of the parent	\$ 277,969	150,000	
Impact of potential diluted common shares			
Remuneration to employee	-	118	
Effects of the net income attributable to ordinary shareholders of the parent plus potential ordinary shares	\$ 277,969	150,118	\$ 1.85

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

(XXX) Transactions with non-controlling interests

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

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

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

(XXXI) Cash flow supplementary information

1. Investing activities not affecting cash flow:

	<u>2025</u>	<u>2024</u>
Prepayments for construction funds and business facilities reclassified to real estate, plants, and equipment	<u>\$ 2,084</u>	<u>\$ 2,376</u>

2. Investing activities paid partially by cash:

	<u>2025</u>	<u>2024</u>
Acquisition of property, plant and equipment	\$ 442,054	\$ 282,561
Add: Payables for equipment at the beginning of the period	24,684	13,065
Less: Payables for equipment at the end of the period	(4,328)	(24,684)
Less: Other payables -related parties at the end of the period	<u>(10,921)</u>	<u>-</u>
Cash payments for current period	<u>\$ 451,489</u>	<u>\$ 270,942</u>

(XXXII) Changes of liabilities from financing activities

2025						
	<u>Short-term borrowings</u>	<u>Short-term bills payable</u>	<u>Lease liabilities - current and non- current</u>	<u>Long-term borrowings</u>	<u>Non-current liabilities (guarantee deposits received)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 1,200,000	\$ 409,822	\$ 39,939	\$ 3,430,000	\$ 8,792	\$ 5,088,553
Changes of the financing cash flows	500,000	-	13,613	(370,000)	1,603	117,990
Addition-Newly added lease contracts	-	-	2,605	-	-	2,605
Lease contract modifications	-	-	(297)	-	-(	297)
Other non-cash changes	-	76	-	-	-	76
December 31	<u>\$ 1,700,000</u>	<u>\$ 409,898</u>	<u>\$ 28,634</u>	<u>\$ 3,060,000</u>	<u>\$ 10,395</u>	<u>\$ 5,208,927</u>
2024						
	<u>Short-term borrowings</u>	<u>Short-term bills payable</u>	<u>Lease liabilities - current and non- current</u>	<u>Long-term borrowings</u>	<u>Non-current liabilities (guarantee deposits received)</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 750,000	\$ 269,936	\$ 38,147	\$ 2,500,000	\$ 7,541	\$ 3,565,624
Changes of the financing cash flows	450,000	140,000	(30,051)	930,000	1,251	1,491,200
Addition-Newly added lease contracts	-	-	21,997	-	-	21,997
Revaluation of lease liabilities	-	-	9,846	-	-	9,846
Other non-cash changes	-	(114)	-	-	-(	114)
December 31	<u>\$ 1,200,000</u>	<u>\$ 409,822</u>	<u>\$ 39,939</u>	<u>\$ 3,430,000</u>	<u>\$ 8,792</u>	<u>\$ 5,088,553</u>

VII. Transaction with Related Parties

(I) Parent Company and the ultimate controller

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

(II) Names of related parties and relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Ruentex Development Co., Ltd. (Ruentex Development)	Ultimate parent company of the Group
Ruentex Engineering & Construction Co., Ltd. (Ruentex Engineering)	Direct parent company (The parent company of the Group)
Ruen Yang Construction Co., Ltd. (Ruen Yang Construction)	Fellow subsidiary (A subsidiary of the parent company of the Group)
Ruentex Property Management and Maintenance Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Bai-Yi Development co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Construction & Development Co., Ltd.	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Innovative Development Co., Ltd. (Ruentex Innovative Development)	Fellow subsidiary (A subsidiary of the ultimate parent company of the Group)
Ruentex Industries Ltd.	Other related parties (investees accounted for using the equity method by the ultimate parent company of the Company)
Nan Shan Life Insurance Co., Ltd.	Other related parties (investees accounted for using the equity method by the ultimate parent company of the Company)
Nan Shan General Insurance Co., Ltd.	Other related parties (subsidiaries of investees accounted for using the equity method by the ultimate parent company of the Company)
OBI Pharma, Inc.	Other related party (the Group's substantial related party)
Shing Yen Construction & Development Co., Ltd.	Other related parties (investees accounted for using the equity method by the ultimate parent company of the Company)
Ruentex Construction & Engineering Co., Ltd.	Other related party (the management personnel of the Group's parent company is the representative of the juridical person director of the Company)
Penglin Investment Co., Ltd.	Other related party (its director is the representative of the juridical person director of the Group)
Huei Hong Investment Co., Ltd.	Other related party (The Group's juridical person director)
Shu-Tien Urology and Ophthalmology Clinic	Other related party (a juridical person director of an affiliate of the ultimate parent company of the Group)
Chang Quan Investment Co., Ltd.	Other related party (The Group's representative of the juridical person director is the representative of the juridical person director of the company)
Sunny Friend Environmental Technology Co., Ltd.	Other related parties (investees accounted for using the equity method by the ultimate parent company of the Company)
Teh Hsin Enterprise Co., Ltd. (Teh Hsin) (Note 1)	Associate (investee accounted for using the equity method by the Group)
Samuel Yen-Liang Yin	Other related party (the relative within the first degree of kinship of the representative of the juridical corporate director of the Group)
Mo, Wei-Han	Chairman of the Company
Lin, Yi-Chieh (Note 2)	President of the Company

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Chen, Hsueh-Hsien (Note 2)	Former president of the Company
Lee Chih-Hung	Chairman of the Company's direct parent company
Chien, Tsang-Tsun (Note 3)	Former chairman of the subsidiary of the Company
Lu, Yu-Huang (Notes 3 and 4)	Chairman of the subsidiary of the Company
Hsu, Tzu-Rong (Note 4)	President of the subsidiary of the Company

Note 1: The Group acquired a 35% shares of Teh Hsin on November 15, 2024. Teh Hsin is an associate of the Group, and transactions with Teh Hsin have been disclosed starting from that date. For related information, please refer to Note 6(5).

Note 2: Chen, Hsueh-Hsien resigned from the position of President on March 12, 2025. The Company appointed Lin, Yi-Chieh as the new President pursuant to a resolution of the Board of Directors.

Note 3: Chien, Tsang-Tsun resigned from the role of Chairman of the subsidiary, Ruentex Interior Design, on August 13, 2025, and Lu, Yu-Huang was elected by the Board of Directors' resolution as the Chairman of Ruentex Interior Design.

Note 4: Lu, Yu-Huang resigned from the role of President of the subsidiary, Ruentex Interior Design, on August 13, 2025, and Hsu, Tzu-Rong was elected by the Board of Directors' resolution as the President of Ruentex Interior Design.

(III) Significant related party transactions and balances

1. Operating Revenue

	<u>2025</u>	<u>2024</u>
Sales of goods:		
— The ultimate parent company	\$ 14,305	\$ 71,965
— The direct parent company	161,513	129,305
— Fellow subsidiary	185	255
— Other related parties	6,794	12,006
— Associates	449	55
Contract of construction:		
— The ultimate parent company	417,919	534,751
— The direct parent company	33,405	83,568
— Fellow subsidiary	37,050	386,090
— Other related parties	32,239	38,888
	<u>\$ 703,859</u>	<u>\$ 1,256,883</u>

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

2. Purchase of goods

	<u>2025</u>	<u>2024</u>
Project investment by:		
— Ruentex Engineering & Construction	\$ 490,280	\$ -
— Fellow subsidiary	595	-
— Other related parties	<u>1,038</u>	<u>1,119</u>
	<u>\$ 491,913</u>	<u>\$ 1,119</u>

The contract prices of the contract of construction is negotiated by both parties and the payments are made using promissory notes due within 2 months, which is consistent with general payment terms.

3. Receivables from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable:		
— Ruentex Development	\$ -	\$ 48,729
— The direct parent company	8,358	2,413
— Other related parties	-	979
— Associates	<u>57</u>	<u>-</u>
	<u>\$ 8,415</u>	<u>\$ 52,121</u>
Accounts receivable		
— The ultimate parent company	\$ 22,223	\$ 35,201
— The direct parent company	22,297	27,849
— Fellow subsidiary	-	9,985
— Other related parties	7,412	1,505
— Associates	<u>63</u>	<u>57</u>
	<u>\$ 51,995</u>	<u>\$ 74,597</u>
Other receivables (Note):		
— Associates	<u>\$ 99</u>	<u>\$ -</u>

Note: This is mainly due to remuneration to directors.

4. Contract assets - retainable receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
— The ultimate parent company	\$ 32,363	\$ 14,786
— The direct parent company	2,601	2,247
— Fellow subsidiary	32,573	32,573
— Other related parties	<u>2,103</u>	<u>-</u>
	<u>\$ 69,640</u>	<u>\$ 49,606</u>

5. Incomplete work of construction contracting and advance construction receipts

	<u>December 31, 2025</u>		<u>December 31, 2024</u>	
	<u>Total contract amount</u>	<u>Amount requested</u>	<u>Total contract amount</u>	<u>Amount requested</u>
	<u>(tax excluded)</u>	<u>for progress of</u>	<u>(tax excluded)</u>	<u>for progress of works</u>
		<u>works</u>		
Ruentex Development	\$ 960,155	\$ 694,034	\$ 938,046	\$ 310,804
Ruentex Innovative Development	741,107	620,447	717,881	626,915
The direct parent company	60,170	36,549	65,250	30,772
Other related parties	<u>29,228</u>	<u>26,669</u>	<u>3,660</u>	<u>-</u>
	<u>\$ 1,790,660</u>	<u>\$ 1,377,699</u>	<u>\$ 1,724,837</u>	<u>\$ 968,491</u>

6. Balance of accounts payable from related parties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes payable:		
— The direct parent company	<u>\$ 1,924</u>	<u>\$ 566</u>
Accounts payable:		
— Ruentex Engineering & Construction	\$ 161,927	\$ 2,107
— Fellow subsidiary	<u>500</u>	<u>-</u>
	<u>\$ 162,427</u>	<u>\$ 2,107</u>
Other payables (Note):		
— The ultimate parent company	\$ 5	\$ 6
— The direct parent company	7,113	4
— Fellow subsidiary	6,017	200
— Other related parties	<u>77</u>	<u>236</u>
	<u>\$ 13,212</u>	<u>\$ 446</u>

Note: Mainly comprised payables for construction and electricity bills.

7. Property transactions

(1) Acquisition of intangible assets

Please refer to Note 6(4)3.

(2) Acquisition of property, plant and equipment

A. To proceed with the construction of the “Technical Warehouse Expansion Project of Dongshan Plant, Yilan,” the Company signed a construction contract with Ruen Yang Construction on March 13, 2024, after the Board of Directors approved the project. The Company is expected to undertake the construction of the new project, and the inspection and acceptance of the project's completion are scheduled to be completed in March 2025. The final total contract price and the amount paid is NT\$2,084.

B. To carry out the "Pingtung Ligang Plant Parking Lot New Construction Project," the Company, after approval by the Board of Directors on August 13, 2025, signed construction contracts with Ruentex Engineering & Construction Co., Ltd. and Ruen Yang Construction Co., Ltd. The total contract prices for commissioning Ruentex Engineering & Construction Co., Ltd. and Ruen Yang Construction Co., Ltd. to undertake the new construction project were NT\$30,843 and NT\$19,248, respectively. As of December 31, 2025, construction costs of NT\$35,946 had been incurred, of which NT\$10,921 remained unpaid. The use permit is expected to be obtained in August 2026.

8. Lease transactions - Lessee/rent expenses

Rent expenses of short-term lease contracts

	2025	2024
Fellow subsidiary	\$ 2,057	\$ 2,057
Other related parties	<u>220</u>	<u>220</u>
	<u>\$ 2,277</u>	<u>\$ 2,277</u>

The Group's rent objects are the exhibition center and the warehouse with monthly rental payment.

9. The Company and the direct parent company signed and entered into an agreement in January 2023 on contract processing. The monthly payment is NT\$1,200. If the monthly production surpasses 3,800 tonnes, an additional payment of NT\$80 per kiloton shall be made (for production at less than one kiloton, it will be calculated based on one kiloton). Processing expenses recognized for the years ended December 31, 2025 and 2024 were both NT\$14,400.

10. 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). Processing expenses recognized for the years ended December 31, 2025 and 2024 were both NT\$7,584.
11. Status of endorsements and guarantees provided by related parties to the Group

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
The direct parent company	<u>\$ 88,368</u>	<u>\$ 88,368</u>
Key management personnel	<u>\$ 8,780,000</u>	<u>\$ 7,630,000</u>

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

A portion of the Company's land is agricultural land. Due to legal restrictions, the Group is not entitled to the property rights of the aforementioned land. Therefore, the property rights of the agricultural land obtained in 2009, 2010, 2015, and 2020 were registered to the chief management and pledged as collateral to the Company. As of December 31, 2025, the carrying value of agricultural and animal husbandry land was NT\$84,306 under "Property, plant and equipment."

(IV) Key management compensation information

	<u>2025</u>	<u>2024</u>
Wages and salaries and short-term employee benefits	<u>\$ 61,153</u>	<u>\$ 87,251</u>
Post-employment benefits	<u>1,005</u>	<u>1,108</u>
Total	<u>\$ 62,158</u>	<u>\$ 88,359</u>

VIII. Pledged Assets

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

<u>Asset items</u>	<u>Carrying amount</u>		<u>For guarantee purpose</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>	
Other financial assets-current (listed as Other Current Assets)	\$ 159,322	\$ 155,696	Collateral for short-term borrowing facilities, construction performance, and warranties
Investments accounted for using equity method	1,707,545	-	Long-term borrowings and guarantee quota
Property, plant, and equipment	1,516,307	1,518,993	Long-term borrowings and guarantee quota
Other financial assets - non-current (listed as "other non-current assets")	91,942	91,898	Performance bond
	<u>\$ 3,475,116</u>	<u>\$ 1,766,587</u>	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

Please refer to Note 6(8).

(II) Commitments

Except those described in Note 6(7), (13) and 7, other significant commitments are as follows:

1. As of December 31, 2025 and 2024, the total amount of construction contracts entered into by the Group for undertaking renovation projects was NT\$3,509,536 and NT\$2,564,091, respectively. Amounts of NT\$2,344,740 and NT\$953,599 have been paid, respectively, and the remainder will be paid based on the stage of completion.
2. As of December 31, 2025, the amounts of letters of credit issued by the Group but not yet used are USD 246 thousand, respectively.

X. Significant Disaster Loss

None.

XI. Significant subsequent events

Except those described in Note 6(4), (19) and (27), there is no other significant subsequent events.

XII. Others

(I) Capital management

The Group's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return share capital to

shareholders, issue new shares or sell assets in order to adjust to reach the most suitable capital structure. The Group uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the net debt by the total capital. The net liabilities is equal to total borrowings (including “current and non-current borrowings” on the consolidated financial statements) deducting cash and cash equivalents. Total capital is the “equity” stated on the consolidated balance sheet plus net liabilities.

The Group’s debt ratios as of December 31, 2025 and 2024, were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Total borrowings	\$ 5,170,000	\$ 5,040,000
Less: Cash and cash equivalents	(381,163)	(905,794)
Net debt	4,788,837	4,134,206
Total equity	<u>3,098,363</u>	<u>3,109,169</u>
Total capital	<u>\$ 7,887,200</u>	<u>\$ 7,243,375</u>
Debt-to-total-capital ratio	60.72%	57.08%

(II) Financial instruments

1. Type of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 381,163	\$ 905,794
Financial assets measured by amortized cost - current	50,705	-
Notes receivable (including related parties)	206,324	307,474
Accounts receivable (including related parties)	1,151,760	787,787
Other receivables (including related parties)	1,732	2,660
Refundable deposits (recognized as other non-current assets)	3,708	23,599
Other financial assets (recognized as other current assets and other non-current assets)	251,264	247,594
Financial assets at fair value through other comprehensive income acquired		
Equity instrument investments by the option to designate	<u>543,449</u>	<u>717,099</u>
	<u>\$ 2,590,105</u>	<u>\$ 3,042,007</u>

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 1,700,000	\$ 1,200,000
Short-term notes payable	409,898	409,822
Notes payable (including related parties)	118,748	201,897
Accounts payable (including related parties)	1,253,916	1,216,289
Other payables (including related parties)	263,601	289,031
Long-term borrowings (including current portion)	3,060,000	3,430,000
Guarantee deposits received (recognized as other non-current liabilities)	<u>10,395</u>	<u>8,792</u>
	<u>\$ 6,816,558</u>	<u>\$ 6,755,831</u>
Lease liabilities – current and non-current	<u>\$ 28,634</u>	<u>\$ 39,939</u>

2. Risk management policies

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

3. Significant financial risks and degrees of financial risks

(1) Market risk

Foreign exchange risk

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

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

December 31, 2025						
			<u>Sensitivity analysis</u>			
(Foreign currency: Functional currency)	<u>Foreign currency amount (thousands)</u>	<u>Exchange rate measurement at the end of the period</u>	<u>Carrying amount (NT\$)</u>	<u>Range of variation</u>	<u>Effects on profit and loss</u>	
Financial assets - Monetary items						
USD:NTD	\$ 13	31.43	\$ 409	1%	\$	4
Financial liabilities - Monetary items						
USD:NTD	51	31.43	1,603	1%		16
EUR:NTD	13	36.90	480	1%		5

December 31, 2024						
			<u>Sensitivity analysis</u>			
(Foreign currency: Functional currency)	<u>Foreign currency amount (thousands)</u>	<u>Exchange rate measurement at the end of the period</u>	<u>Carrying amount (NT\$)</u>	<u>Range of variation</u>	<u>Effects on profit and loss</u>	
Financial assets - Monetary items						
USD:NTD	\$ 17	32.79	\$ 557	1%	\$	6
Financial liabilities - Monetary items						
USD:NTD	52	32.79	1,705	1%		17
EUR:NTD	2	34.14	68	1%		1
JPY:NTD	409	0.2099	86	1%		1

- C. Foreign exchange risk has significant impact on the Group, and all of the foreign exchange gains or losses (including realized and unrealized) on monetary items recognized were losses of NT\$5 and gains of NT\$88, for the years ended December 31, 2025 and 2024, respectively.

Price risk

- A. The Group's equity instruments exposed to price risk were the financial assets at fair value through other comprehensive income. To manage its price risk arising

from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

- B. The Group mainly invests in domestic or foreign equity instruments. The prices of equity instruments is affected by the uncertainty of the future value of investment subject matters. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, other comprehensive income due to classification to gains or losses of equity investments at fair value through other comprehensive income for the years ended December 31, 2025 and 2024, would have increased/decreased by NT\$5,434 and NT\$7,171, respectively.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises from short- and long-term borrowings with floating interest rates that expose the Group to cash flow interest rate risk. For the years ended December 31, 2025 and 2024, the Group's borrowings issued at variable rates were mostly denominated in the New Taiwan Dollar.
- B. The borrowing of the Group was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Group is exposed to the risk of future market interest rate changes.
- C. If interest rates on borrowings had been 0.1% higher or lower with all other variables held constant, profit after income tax for the years ended December 31, 2025 and 2024, would have decreased/increased by NT\$3,808 and NT\$3,704, respectively, due to change of interest expenses of borrowings at the variable interest rate.

(2) Credit risk

- A. Credit risk refers to the risk of financial loss to the Group arising from default by clients or transaction counterparties on the contractual obligations of financial instruments. Such risk is mainly due to the counterparties' inability to repay the contract assets and accounts receivable according to the payment terms, and it is classified as contract cash flow at amortized cost.
- B. The Group established management of credit risk from the Group's perspective. According to the internally specified credit extension policy, before each operating entity and each new customer establish the terms for payment and goods delivery, it is necessary to perform management and credit risk analysis. The internal risk control considers the financial position, past experience and other factors in order to assess the credit quality of customers. Individual risk limits are set based on

internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.

- C. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, breach of contract is deemed to have occurred.
- D. The Group uses IFRS 9 to provide the following assumptions, to determine if the credit risks of the financial instrument significantly increased since the initial recognition.

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

- E. The Group classifies the accounts payable of customers according to the characteristics of customer type, and adopts the simplified method to use the loss rate method as the basis for estimating the expected credit loss.
- F. After the collection procedures, the amount of financial assets that cannot be reasonably estimated will be written-off. However, the Group will continue to pursue the legal right of recourse to protect its claims.
- G. The Group utilized the forecasting capabilities of the Taiwan Institute of Economic Research report to adjust historical and current information in order to assess the likelihood of default and estimate impairment provisions for accounts receivable (including related parties) and contract assets (including related parties). As of December 31, 2025 and 2024, the loss rate methodology is as follows:

	<u>Group 1</u>	<u>Group 2</u>	<u>Total</u>
<u>December 31, 2025</u>			
Expected loss	0.01%~0.03%	0.82%~100%	
Total carrying amount	<u>\$ 1,605,601</u>	<u>\$ 330,938</u>	<u>\$ 1,936,539</u>
Allowance for losses	<u>\$ 96</u>	<u>\$ 10,685</u>	<u>\$ 10,781</u>
	<u>Group I</u>	<u>Group 2</u>	<u>Total</u>
<u>December 31, 2024</u>			
Expected loss	0.01%~0.03%	0.63%~100%	
Total carrying amount	<u>\$ 1,239,921</u>	<u>\$ 309,040</u>	<u>\$ 1,548,961</u>
Allowance for losses	<u>\$ 97</u>	<u>\$ 10,438</u>	<u>\$ 10,535</u>

Group 1: Sales counterparty established for 10 years and more, or accounts receivables arising from transactions with related parties and contracts for public construction or to debtors who have high probability of

performing the payment financially.

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

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

	<u>2025</u>	<u>2024</u>
	<u>Accounts receivable</u>	<u>Accounts receivable</u>
January 1	\$ 10,535	\$ 7,144
Provision of impairment loss	246	3,391
December 31	<u>\$ 10,781</u>	<u>\$ 10,535</u>

- I. The financial assets measured by the amortized cost accounted for by the Group are demand deposit with original maturity date for more than three months. Because the cooperating financial institutions' credit ratings are good, and the Company has conducted transactions with many financial institutions to diversify the credit risk, the probability of default is expected to be very low.

(3) Liquidity risk

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Due within one year	\$ 1,264,910	\$ 1,211,260
Due longer than one year	<u>1,291,331</u>	<u>700,000</u>
	<u>\$ 2,556,241</u>	<u>\$ 1,911,260</u>

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

Non-derivative financial liabilities:

December 31, 2025	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 1,700,000	\$ -	\$ -
Short-term notes and bills payable (Note)	410,000	-	-
Notes payable (including related parties)	116,342	2,406	-
Accounts payable (including related parties)	456,448	601,517	195,951
Other payables (including related parties)	257,653	5,763	185
Lease liabilities - current (Note)	14,572	7,322	-
Long-term borrowings (Note)	14,594	43,783	3,100,787
Lease liabilities - non-current (Note)	-	-	7,007
Guarantee deposits received (listed as other non-current liabilities)	-	-	10,395

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

Non-derivative financial liabilities:

December 31, 2024	<u>3 months and below</u>	<u>Within 3 months to 1 year</u>	<u>More than 1 year</u>
Short-term borrowings	\$ 1,200,000	\$ -	\$ -
Short-term notes and bills payable (Note)	410,000	-	-
Notes payable (including related parties)	201,183	714	-
Accounts payable (including related parties)	303,729	793,302	119,258
Other payables (including related parties)	242,520	35,390	11,121
Lease liabilities - current (Note)	8,957	15,899	-
Long-term borrowings (Note)	16,364	49,091	3,489,962
Lease liabilities - non-current (Note)	-	-	15,707
Guarantee deposits received (listed as other non-current liabilities)	-	-	8,792

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

(III) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability.

2. Financial instruments other than those measured at fair value

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

guarantee deposits received are approximate to their fair values.

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

December 31, 2025	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	<u>\$ 543,449</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 543,449</u>
December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial Assets at fair value through other comprehensive income acquired				
Equity securities	<u>\$ 717,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 717,099</u>

4. The Group's financial instruments are traded in active markets, their fair value is measured based on the market quotation at the end of the balance sheet date. The market is deemed to be an active market when the quotation can be obtained instantly and regularly from the stock exchange, dealer, broker, industry, rating agencies, and regulatory body, and that the quotation represents the actual and regular market transactions conducted under the basis of a normal transaction. The market price of the financial assets held by the Group is the closing market price. These instruments belong to Level 1. Level 1 instruments are mainly equity instruments. Their classification is financial assets at fair value through other comprehensive income.
5. There was no transfer between the Level 1 and the Level 2 fair values for the years ended December 31, 2025 and 2024.

XIII. Separately Disclosed Items

(I) Significant transaction information

1. Loans to others: None.
2. Endorsement/guarantee provided for others: None.

3. Holding of significant marketable securities at the end of the period (not including subsidiaries): Please refer to Table 1.
4. 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.
5. Accounts receivable from related parties of at least NT\$100 million or 20% of the paid-in capital: None.
6. Business relationship between the parent and subsidiaries and status of the important transactions: None.

(II) Information on Investees

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

(III) Information on Investments in China

None.

XIV. Information on operating segments

(I) General information

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

(II) Measurement of segment information

1. The accounting policies of the Group's reportable operating segments is in a manner consistent with the significant accounting policies provided in Note 4.
2. The profit or loss for the operating segments of the Group is measured based on the operating net income.

(III) Information on Departments

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

	2025			
	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
External revenue	\$ 1,958,190	\$ 2,739,080	\$ 2,524,410	\$ 7,221,680
Internal departmental revenue	-	8,310	330	8,640
Departmental revenue	<u>\$ 1,958,190</u>	<u>\$ 2,747,390</u>	<u>\$ 2,524,740</u>	<u>\$ 7,230,320</u>
Net operating profit (loss) from the segment	<u>(\$ 86,564)</u>	<u>\$ 271,443</u>	<u>\$ 365,411</u>	<u>\$ 550,290</u>
Segment income (loss) includes:				
Depreciation expense	\$ 213,228	\$ 75,197	\$ 10,532	\$ 298,957
Amortization	<u>567</u>	<u>448</u>	<u>121</u>	<u>1,136</u>
	<u>\$ 213,795</u>	<u>\$ 75,645</u>	<u>\$ 10,653</u>	<u>\$ 300,093</u>

	2024			
	<u>Cement business</u>	<u>Building materials business</u>	<u>Engineering and construction business</u>	<u>Total</u>
External revenue	\$ 2,184,861	\$ 2,430,464	\$ 2,052,379	\$ 6,667,704
Internal departmental revenue	-	9,192	2,144	11,336
Departmental revenue	<u>\$ 2,184,861</u>	<u>\$ 2,439,656</u>	<u>\$ 2,054,523</u>	<u>\$ 6,679,040</u>
Net operating profit from the segment	<u>\$ 34,670</u>	<u>\$ 111,182</u>	<u>\$ 287,634</u>	<u>\$ 433,486</u>
Segment income (loss) includes:				
Depreciation expense	\$ 203,805	\$ 68,164	\$ 10,190	\$ 282,159
Amortization	<u>738</u>	<u>5,530</u>	<u>135</u>	<u>6,403</u>
	<u>\$ 204,543</u>	<u>\$ 73,694</u>	<u>\$ 10,325</u>	<u>\$ 288,562</u>

(IV) Reconciliation for segment income (loss)

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

	<u>2025</u>	<u>2024</u>
Net operating profit from the segment	\$ 550,290	\$ 433,486
Interest revenue	11,488	8,594
Interest Cost	(96,158)	(69,064)
Share of income of associates and joint ventures accounted for using the equity method	175,491	12,616
Other items	<u>(102,255)</u>	<u>26,784</u>
Net income before tax from the segment	<u>\$ 538,856</u>	<u>\$ 412,416</u>

(V) Information by products and services

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

(VI) Geographical information

Geographical information of the Group for the years ended December 31, 2025 and 2024 is as follows:

	<u>2025</u>		<u>2024</u>	
	<u>Income</u>	<u>Non-current assets</u>	<u>Income</u>	<u>Non-current assets</u>
Taiwan	<u>\$ 7,221,680</u>	<u>\$ 4,045,560</u>	<u>\$ 6,667,704</u>	<u>\$ 3,904,574</u>

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

(VII) Major customer information

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

	<u>2025</u>			
	<u>Total income</u>	<u>Cement Business Department</u>	<u>Building Materials Department</u>	<u>Contract of construction</u>
Customer A	<u>\$ 763,204</u>	<u>\$ 761,137</u>	<u>\$ 2,067</u>	<u>\$ -</u>

	<u>2024</u>			
	<u>Total income</u>	<u>Cement Business Department</u>	<u>Building Materials Department</u>	<u>Contract of construction</u>
Customer A	<u>\$ 782,743</u>	<u>\$ 782,563</u>	<u>\$ 180</u>	<u>\$ -</u>

Ruentex Materials Co., Ltd. and its subsidiaries

Significant marketable securities held at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2025

Attached Table 1

Unit: NT\$1000; Earnings per Share: NT\$ in Thousands (Except as Otherwise Indicated)

Company holding the securities	Type and name of the securities (Note 1)	Relationship with the securities issuer (Note 2)	Account recognized	End of the period				Remark (Note 4)
				Shares	Carrying amount (Note 3)	Shareholding percentage	Fair value	
Ruentex Materials Co., Ltd.	Shares of Ruentex Industries Ltd.	The investee accounted for under the equity method by the Company's ultimate parent company.	Financial assets at fair value through other comprehensive income - non-current	7,200,236	\$ 396,733	0.65	\$ 396,733	
	Shares of OBI Pharma, Inc.	Substantive related party of the Company	Financial assets at fair value through other comprehensive income - non-current	131,165	3,541	0.05	3,541	Note 6
Ruentex Interior Design Inc.	Shares of Ruentex Industries Ltd.	The investee accounted for under the equity method by the Company's ultimate parent company.	Financial assets at fair value through other comprehensive income - non-current	2,598,464	143,175	0.24	143,175	

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: For items measured at fair value, the carrying amount column shall reflect the amount after fair value adjustments. For items not measured at fair value, the carrying amount column shall reflect the original acquisition cost or amortized cost, net of accumulated impairment.

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".

Note 5: The securities listed in this schedule are determined by the Company based on the principle of materiality.

Note 6: For the capital reduction to offset losses of OBI Pharma, Inc., please refer to Note 6(4).

Ruentex Materials Co., Ltd. and its subsidiaries

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

January 1 to December 31, 2025

Attached Table 2

Unit: NT\$1000; Earnings per Share: NT\$ in 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		Remarks (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	Revenue from project solicitation and sales	(\$ 180,572)	3.79	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	\$ 30,655	3.54	
Ruentex Interior Design Inc.	Ruentex Development Co., Ltd.	Ultimate parent company of the Company	Project solicitation, Service revenue, Sales revenue	(408,296)	16.57	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	22,134	4.49	
Ruentex Interior Design Inc.	Ruentex Engineering & Construction Co., Ltd.	Direct parent company of the Company	Contract of construction	490,280	25.80	Amount paid according to the prescribed period of the construction contract	Negotiated price	Amount paid according to the prescribed period of the construction contract	(159,566)	15.55	

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

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

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

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

Ruentex Materials Co., Ltd. and its subsidiaries

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

January 1 to December 31, 2025

Attached Table 3

Unit: NT\$1000; Earnings per Share: NT\$ in Thousands (Except as Otherwise Indicated)

Name of the investing company	Name of the investee company (Notes 1 and 2)	Location	Main business items	Original investment amount		Holding at the end of period			Profit or loss of the investee for the period (Note 2(2))	Investment gains and losses recognized in the current period (Note 2(3))	Remark
				End of the current period	End of last year	Shares	Percentage	Carrying amount			
Ruentex Materials Co., Ltd.	Ruentex Interior Design Inc.	Taiwan	Interior design	\$ 126,721	\$ 126,721	4,750,000	31.66	\$ 288,848	\$ 291,240	\$ 92,226	Subsidiaries
Ruentex Materials Co., Ltd.	Teh Hsin Enterprise Co., Ltd.	Taiwan	Building Materials	1,564,348	1,564,348	14,969,837	35.00	1,707,545	501,386	175,491	Associates

Note 1: For public companies with an overseas holding company and a consolidated financial report as its principal financial report according to the local laws and regulations must disclose only related information to that holding company, which is an overseas investee.

Note 2: Those who do not fall under the circumstances described in Note 1 shall be filled in according to the following rules:

- (1) The columns of “Investee,” “Location,” “Main business items,” “Original investment amount” and “Ownership, end of the period” shall be filled out based on the (public) Company’s investment status and the investment situation of each investee directly or indirectly controlled in order, and the relationship between each investee and the (public) Company (e.g., a subsidiary or a sub-subsidiary) shall be indicated in the remarks column.
- (2) In the column “Current profit or loss on investee,” the amount of current profit or loss on each investee shall be entered.
- (3) In the column “Investment gains and losses recognized in the current period,” only the amount of profit or loss on each subsidiary recognized by the (public) Company as direct investment and on each investee accounted for using the equity method shall be entered, and the rest is not required to be entered. When filling in the “Recognized amount of current profit or loss on each subsidiary directly invested,” it shall be confirmed that the amount of the current profit or loss on each subsidiary has included the investment gains and losses that shall be recognized in accordance with the regulations for its investment.